

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, throughout this Circular. If you are in any doubt as to the action you should take, please consult your broker, CSDP, attorney, accountant, banker or other professional adviser immediately.

If you have disposed of all of your Shares in Ecsponent, then this Circular, together with the notice of General Meeting and Form of Proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Shares.

The General Meeting convened in terms of this Circular will be held at 10:30 on Thursday, 30 March 2017 at the registered office of Ecsponent, Acacia House, Green Hill Village Office Park, Cnr of Nentabos and Botterklapper Street, The Willows, Pretoria East, 0181.

Certificated Shareholders and dematerialised Shareholders with “own-name” registration, who are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached Form of Proxy in accordance with the instructions contained therein.

Dematerialised Shareholders, other than dematerialised Shareholders with “own-name” registration, who:

- are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
- wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary authority to attend, in the form of a letter of representation.

Ecsponent does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or broker of a dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be concluded thereat.



Ecsponent Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/013215/06)
JSE share code: ECS ISIN: ZAE000179594
("the Company" or "Ecsponent")

CIRCULAR TO ECSPONENT SHAREHOLDERS

Relating to the:

- **disposal by the Company of its 70% interest and related loan accounts in ECS Holdings to Projects, a related party;**
- **disposal by EDF of the Business to EIH, a related party;**
- **disposal by the Company of its 51% interest and related loan accounts in Clade to Capital, a related party;**
- **issue of new shares by EFS Zambia to GetBucks MU, thereby diluting the Company's interest in EFS Zambia from 99.995% to 24.995%;**
- **disposal by ECS Botswana of its 50% interest in Sure Choice to GetBucks BW;**
- **acquisition by ECS Botswana of the MyBucks Interest from Projects, a related party; and**
- **Specific Issue of Ordinary Shares to Directors,**

and incorporating:

Revised Listing Particulars;

and enclosing:

the fairness opinions by the Independent Expert on the Disposals and the MyBucks Acquisition, respectively;

a notice convening the General Meeting; and

a Form of Proxy for use by certificated Shareholders and “own-name” registered dematerialised Shareholders only.

Sponsor and Corporate Advisor



Independent Expert



Reporting Accountants



Date of issue: 1 March 2017

Additional copies of this Circular, in its printed format, may be obtained from the Company and the Sponsor and Corporate Advisor at the addresses set out in the “Corporate information” section on this Circular during normal business hours from 1 March 2017 up to and including 30 March 2017 and will be made available on the Ecsponent website (www.ecsponentlimited.com). Copies of this Circular are available in English only.

CORPORATE INFORMATION

Directors of Ecsponent

Executive

TP Gregory (*Chief Executive Officer*)
B Shanahan (*Group Financial Director*)

Independent non-executive

RJ Connellan (*Chairman*)
KA Rayner
B Topham

Non-executive

P Matute
E Engelbrecht

Company secretary and registered office

Dirk van der Merwe
Acacia House
Green Hill Village Office Park
Cnr of Nentabos and Botterklapper Street
The Willows
Pretoria East, 0181
(PO Box 39660, Garsfontein East, 0060)

Independent Reporting Accountants

Nexia SAB&T
119 Witch-Hazel Avenue
Highveld Technopark
Centurion, 0046
(PO Box 10512, Centurion, 0046)

Independent Expert

Merchantec Capital
(Registration number 2008/027362/07)
2nd Floor, North Block Hyde Park Office Tower
Corner 6th Road and Jan Smuts Avenue Hyde Park
Johannesburg, 2196
(PO Box 41480, Craighall, 2024)

Date of incorporation of Ecsponent

9 July 1998

Place of incorporation of Ecsponent

Johannesburg, South Africa

Registered office of Ecsponent

Acacia House
Green Hill Village Office Park
Cnr of Nentabos and Botterklapper Street
The Willows
Pretoria East, 0181
(PO Box 39660, Garsfontein East, 0060)

Sponsor and Corporate Advisor

Questco Proprietary Limited
(Registration number 2002/005616/07)
1st Floor, Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive, Bryanston
Johannesburg, 2191
(PO Box 98956, Sloane Park, 2152)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
2nd Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

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SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this salient dates and times section.

Salient dates and times are set out below:

2017

Record date to determine which Shareholders are entitled to receive the Circular	Friday, 17 February
Posting of Circular. Notice of General Meeting announcement on SENS	Wednesday, 1 March
Last day to trade in order to be eligible to vote in respect of the General Meeting	Monday, 20 March
General Meeting record date in order to vote	Friday, 24 March
Last day to lodge Forms of Proxy for the General Meeting by 10:30 on	Tuesday, 28 March
General Meeting to be held at 10:30 on	Thursday, 30 March
Results of General Meeting released on SENS on	Thursday, 30 March

Notes:

The above dates and times are subject to amendment. Any such amendment will be released on SENS.

ACTION REQUIRED

The approval and implementation of the Transactions and the Specific Issue are subject, *inter alia*, to Shareholders entitled to vote passing the requisite resolutions at the General Meeting.

A notice convening the General Meeting is attached to and forms part of this Circular.

Certificated Shareholders and dematerialised Shareholders who have elected “own-name” registration

Certificated Shareholders and dematerialised Shareholders who have elected “own-name” registration, who are unable to attend the General Meeting but who wish to be represented thereat are requested to complete and return the attached Form of Proxy in accordance with the instructions contained therein. The duly completed Forms of Proxy must be received by the Transfer Secretaries by no later than 10:30 on Tuesday, 28 March 2017.

If you hold a certificate for your Shares, you are a certificated Shareholder. If you have lost your Share certificate, but you know that your Shares are held in the form of a certificate, you are also a certificated Shareholder. If you have any doubt as to whether you are a certificated Shareholder, please contact Computershare on 0861 100 933.

Dematerialised Shareholders who have not elected “own-name” registration

Dematerialised Shareholders who have not elected “own-name” registration and who wish to attend the General Meeting must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation or equivalent authority to attend.

Dematerialised Shareholders who have not elected “own-name” registration and who do not wish to attend the General Meeting, must provide their CSDP or broker with their instruction for voting as a Shareholder at the General Meeting in the manner stipulated in the agreement between the Shareholder concerned and the CSDP or broker governing the relationship between such Shareholder and his CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

DEFINITIONS AND INTERPRETATIONS

In this Circular, the annexures hereto, the notice of General Meeting and Form of Proxy, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

“Board” or “Directors”	the board of directors of Ecsponent at the Last Practicable Date whose details are set out in the “Corporate information section”;
“Business”	means the going-concern business of EDF relating to the short-term financing activities provided to retail clients and to suppliers of government and municipal departments, and the subject to the EDF Disposal, and including: <ul style="list-style-type: none">• the impact finance loan portfolio;• all fixtures and fittings, furniture and office equipment;• the customer database and data management system; and• the operational liabilities (trade and other payables) relating to the day-to-day operations of the business;
“Business Day”	any day other than a Saturday, Sunday or a public holiday in South Africa;
“Capital”	Ecsponent Capital (RF) Limited, (registration number 2009/015563/06), a public company duly registered and incorporated under the laws of South Africa;
“Capital Group”	Capital and its subsidiaries;
“Capital Transactions”	collectively, the ECS Holdings Disposal, the EDF Disposal, the Clade Disposal and the MyBucks Acquisition;
“certificated Shareholder”	a holder of certificated Shares;
“certificated Shares”	Shares which are not dematerialised, title to which is represented by physical documents of title;
“Circular”	this document, dated Wednesday, 1 March 2017, including the annexures hereto and the Revised Listing Particulars, and incorporating a notice of General Meeting and a Form of Proxy;
“CIPC”	the South African Companies and Intellectual Property Commission;
“Clade”	Clade Investment Management Proprietary Limited (registration number 2004/025680/07), a private company duly registered and incorporated with limited liability, under the laws of South Africa, a subsidiary of Ecsponent;
“Clade Disposal”	the proposed related party disposal by Ecsponent of its 51% interest and loan accounts in Clade to Capital for a total consideration of R15 500 000, as further detailed in paragraph 5;
“Clade Disposal Agreement”	the disposal agreement concluded between Ecsponent, Capital, Ecsponent Management Services and Clade on 20 December 2016 in order to give effect to the Clade Disposal;
“Companies Act”	the Companies Act, Act 71 of 2008, as amended;
“the Company”	Ecsponent;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, 2012 (Act 19 of 2012), as amended, appointed by an individual shareholder for the purposes of, and in regard to the dematerialisation of documents of title for purposes of incorporation into Strate;
“custody agreement”	the custody mandate agreement between a dematerialised Shareholder and a CSDP or broker governing their relationship in respect of dematerialised Shares held by the CSDP or broker;
“Debt Listings Requirements”	the debt listings requirements of the JSE, as amended from time to time;

“dematerialised Shareholder”	a holder of dematerialised Shares;
“dematerialised Shares”	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;
“Disposals”	collectively, the ECS Holdings Disposal, the EDF Disposal, the Clade Disposal, the ECS Zambia Subscription and the Sure Choice Disposal;
“documents of title”	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of shares;
“€”	Euro, with one Euro being equal to R14.30 as at the Last Practicable Date;
“EAM”	Ecsponent Asset Management Limited (registration number CO.2016/1545), a public company with limited liability duly registered and incorporated under the laws of the Republic of Botswana, a 70% owned subsidiary of ECS Holdings;
“ECS Botswana”	Ecsponent Limited (registration number CO.2010/7658), a public company duly registered and incorporated under the laws of the Republic of Botswana, and a wholly-owned subsidiary of Ecsponent;
“Ecsponent”	Ecsponent Limited (registration number 1998/013215/06), a public company duly registered and incorporated under the laws of South Africa and listed on the Main Board of the JSE;
“Ecsponent CS”	Ecsponent Credit Services Proprietary Limited, (registration number 2010/015744/07), a private company duly registered and incorporated under the laws of South Africa, and a wholly-owned subsidiary of Ecsponent;
“Ecsponent Financial Services”	Ecsponent Financial Services Proprietary Limited, (registration number 2006/012668/07), a private company duly registered and incorporated under the laws of South Africa, and a wholly-owned subsidiary of Ecsponent;
“ECS Holdings”	Ecsponent Holdings Proprietary Limited (registration number CO.2014/3692), a private company duly registered and incorporated with limited liability in accordance with the laws of the Republic of Botswana with its main place of business situated within the jurisdiction of Botswana, a 70%-owned subsidiary of Ecsponent;
“ECS Holdings Disposal”	the proposed related party disposal by the Company of its 70% interest in, and loan accounts owing by ECS Holdings, to Projects, for a sale consideration of P34 000 000 (equal to R42 840 000 as at the Last Practicable Date), as further detailed in paragraph 3;
“ECS Holdings Disposal Agreement”	the disposal agreement concluded between Ecsponent, Projects, Ecsponent Management Services and ECS Holdings on 20 December in order to give effect to the ECS Holdings Disposal;
“Ecsponent Management Services”	Ecsponent Management Services Limited (registration number 2002/026858/06), a public company duly registered and incorporated under the laws of South Africa, and a subsidiary of Ecsponent;
“Ecsponent Swaziland”	Ecsponent Limited (registration number: R7/38733), a public company duly registered and incorporated under the laws of the Kingdom of Swaziland, and a subsidiary of Ecsponent;
“EDF”	Ecsponent Development Fund Proprietary Limited (registration number 2015/180072/07/07), a private company duly registered and incorporated under the laws of South Africa, and a subsidiary of Ecsponent;
“EDF Disposal”	the proposed related party disposal by EDF of the Business, as a going concern, to EIH for a sale consideration of R120 150 000, as further detailed in paragraph 4;
“EDF Disposal Agreement”	the disposal agreement concluded between EDF and EIH on 20 December 2016 in order to give effect to the EDF Disposal;
“EIH”	Ecsponent Investment Holdings Proprietary Limited (registration number 2012/069960/07), a private company duly registered and incorporated under the laws of South Africa, an entity owned 74% by Capital and 26% indirectly by Andrew Maren, the CEO of EIH;

“Escalator Capital”	Escalator Capital Global Limited, which was a public company duly registered and incorporated with limited liability in accordance with the laws of the Republic of Mauritius under registration number 106994 C1/GBL. Escalator Capital was beneficially held by the Holdem Legacy Trust, but has subsequently been liquidated following its unbundling, with the Holdem Legacy Trust now owning directly into Capital;
“Esperite N.V”	Esperite Group N.V. (registration number 27187482), a public holding company, duly registered and incorporated in accordance with Dutch law, having its registered address at Piet Heinstraat 11a, 7204 Zutpen, The Netherlands, dual listed on NYSE Euronext Amsterdam and Euronext Paris and specialising in harvesting and storing of stem cells. Esperite N.V. is a 50% shareholder in both Cryo-Save SA and Salveo;
“EFS Zambia”	Ecsponent Financial Services Limited (registration number LCO.124263), a private company duly registered and incorporated with limited liability, in accordance with the laws of the Republic of Zambia, an entity owned 99.995% by Ecsponent and 0.005% by Terence Gregory;
“EFS Zambia Subscription”	the issue of 1 500 000 new shares by EFS Zambia, equating to 75% of the total issued share capital in EFS Zambia, to GetBucks MU, for a consideration of ZMW7 500 000 (equal to R10 200 000 at the Last Practicable Date);
“EFS Zambia Subscription Agreement”	the subscription agreement concluded between Ecsponent, GetBucks MU and EFS Zambia on 30 December 2016 in order to give effect to the EFS Zambia Subscription;
“ETS”	Ecsponent Treasury Management Limited (registration number 2015/430938/07), a public company with limited liability duly registered and incorporated under the laws of the Republic of South Africa, a wholly-owned subsidiary of Ecsponent;
“Event of Default”	the events detailed in the MOI that would result in a conversion of Preference Shares into Ordinary Shares, being: <ul style="list-style-type: none"> – default by the Company on repayment of the redemption price on the redemption date; or – non-payment of 3 (three) consecutive dividends on Class A Preference Shares and/or Class C Preference Shares and/or Class G Preference Shares;
“Form of Proxy”	the form of proxy (<i>blue</i>) attached to this Circular to be completed by certificated Shareholders and “own-name” registered dematerialised Shareholders only;
“General Meeting”	the General Meeting of Shareholders to be held at 10:30 on Thursday, 30 March 2017 at the registered office of Ecsponent, which meeting is convened in terms of the notice of General Meeting attached to this Circular;
“GetBucks BW”	GetBucks Proprietary Limited (registration number CO.2012/2454), a private company with limited liability, duly incorporated in accordance with the laws of the Republic of Botswana, an entity wholly-owned by GetBucks MU;
“GetBucks MU”	GetBucks Limited (registration number C38778/C1/GBL), a public company with limited liability, duly incorporated in accordance with the laws of the Republic of Mauritius, an entity wholly-owned by MyBucks;
“GetBucks Zambia”	GetBucks Financial Services Limited (registration number LCO.127234), a company with limited liability, duly incorporated in accordance with the laws of the Republic of Zambia, a subsidiary of GetBucks MU;
“Group” or “Ecsponent Group”	Ecsponent and its subsidiaries as at the Last Practicable Date;
“Hauck & Aufhäuser”	Hauck & Aufhäuser Privatbankiers KGaA, Frankfurt am Main, Germany;
“IFRS”	International Financial Reporting Standards;
“Implementation Agreement”	the agreement concluded between Ecsponent, EDF, ECS Holdings, Ecsponent Management Services, Sure Choice, Capital, Projects, Clade, ECS Holdings, EIH and EAM on 26 January 2016 in order to give effect to the Loan Consolidation;
“Independent Expert”	Merchantec Capital Proprietary Limited, further details of which are set out in the “Corporate Information” section of this Circular;

“JSE”	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated under the laws of South Africa and licensed as an exchange under the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
“Last Practicable Date”	Monday, 6 February 2017, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the listings requirements of the JSE in force as at the Last Practicable Date;
“Loan Account”	the loan account remaining between ETS and Capital following the Loan Consolidation;
“Loan Consolidation”	the consolidation of all the loan accounts owing to/by the various parties to the Transactions, and their group companies, whereby the various loan accounts will be consolidated into one single Loan Account between ETS and Capital, as further detailed in paragraph 1.2;
“Lock-Up Agreement”	the agreement entered into between Projects and Hauck & Aufhäuser on 9 May 2016, in terms of which Projects is restricted from the sale or disposal of the MyBucks Interest, in any manner, without the consent of Hauck & Aufhäuser, as detailed in Annexure 16 ;
“MOI” or “Memorandum of Incorporation”	the memorandum of incorporation of the Company, as amended from time to time;
“MyBucks”	MyBucks S.À. (companies number B 199.543), a public limited liability company (société à responsabilité limitée) organised under the laws of the Grand Duchy of Luxembourg, and listed on the Frankfurt Stock Exchange;
“MyBucks Acquisition” or “Acquisition”	the proposed related party acquisition by ECS Botswana of the MyBucks Interest from Projects for a purchase consideration of R262 570 000 as detailed more fully in paragraph 8;
“MyBucks Acquisition Agreement”	the acquisition agreement concluded between ECS Botswana, Projects and MyBucks on 15 December 2016 in order to give effect to the MyBucks Acquisition;
“MyBucks Interest”	1 100 000 ordinary shares in MyBucks, equal to 10.002% of the total issued ordinary share capital of MyBucks;
“nacm”	nominal annual, compound monthly;
“NAV”	net asset value;
“Ordinary Shareholders” or “Shareholders”	holders of Ordinary Shares;
“Ordinary Shares” or “Shares”	ordinary no par value shares in the Company;
“P” or “Pula”	Botswana Pula, with one Pula being equal to R1.26 as at the Last Practicable Date;
“Preference Shares”	collectively, Class A to Class G Preference Shares, with terms as set out in Schedule 2 of the MOI;
“Projects”	Ecsponent Projects Proprietary Limited (registration number CO.2015/12033), a private company with limited liability, duly incorporated in accordance with the laws of the Republic of Botswana and a wholly-owned subsidiary of Capital;
“R” or “Rand”	South African Rand, the official currency of South Africa;
“Reporting Accountants”	Nexia SAB&T, full details of which are set out in the “Corporate Information” section of this Circular;
“Revised Listing Particulars”	the Revised Listing Particulars, prepared in accordance with paragraph 9.23 of the Listings Requirements, which form part of this Circular;
“Rights Offer”	the partially underwritten rights offer to be undertaken by Ecsponent in terms of which the Company will raise up to a maximum of R50 million, as set out in a separate circular to Shareholders dated 7 February 2017;
“Salveo”	Salveo Swiss Technologies Limited (formerly Lazaron Biotechnologies (SA) Limited) (registration number 2004/004630/06), a public company duly registered and incorporated under the laws of South Africa, and a subsidiary of Ecsponent;

“Sanceda”	Sanceda Collections Proprietary Limited (registration number 2010/015747/07), a private company duly registered and incorporated under the laws of South Africa, and wholly-owned by Ecsponent;
“Sanceda Botswana”	Sanceda Collections Botswana Proprietary Limited (registration number CO2014/13063), a private company duly registered and incorporated under the laws of the Republic of Botswana, a subsidiary of ECS Holdings;
“Sanceda Collections”	Sanceda Collection Services Proprietary Limited (registration number 2011/125932/07), a private company duly registered and incorporated under the laws of South Africa, and a subsidiary of Ecsponent;
“SENS”	the Stock Exchange News Service of the JSE;
“SME”	small and medium enterprise;
“SOCl”	statement of comprehensive income;
“SOPF”	statement of financial position;
“South Africa”	the Republic of South Africa;
“Specific Issue”	the issue of Ordinary Shares to TP Gregory (chief executive officer) and B Shanahan (financial director), as further detailed in paragraph 10;
“Sponsor and Corporate Advisor”	Questco Proprietary Limited, further details of which are set out in the “Corporate Information” section of this Circular;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly registered and incorporated under the laws of South Africa, and licensed as a CSD in terms of the Financial Markets Act (Act 19 of 2012), as amended;
“subsidiary”	a subsidiary as defined by IFRS, and/or the Companies Act;
“Sure Choice”	Sure Choice Proprietary Limited (registration number CO.2009/2644), a private company incorporated with limited liability in accordance with the laws of the Republic of Botswana, a subsidiary of Ecsponent;
“Sure Choice Disposal”	the disposal by ECS Botswana of its 50% interest in Sure Choice to GetBucks BW, for a sale consideration of P10 000 000 (R12 600 000 as at the Last Practicable Date), as further detailed in paragraph 7;
“Sure Choice Disposal Agreement”	the disposal agreement concluded between ECS Botswana, GetBucks MU, EAM and Sure Choice on 25 January 2017 in order to give effect to the Sure Choice Disposal;
“TNAV”	tangible net asset value, being the total assets less the total liabilities excluding any intangible assets;
“Topaz”	Topaz Time Proprietary Limited (“Topaz”), a private company duly registered and incorporated under the laws of South Africa and wholly-owned by Andrew Maren, the CEO of EIH;
“Transactions”	collectively, the Clade Disposal, the ECS Holdings Disposal, the EDF Disposal, the ECS Zambia Subscription, the Sure Choice Disposal and the MyBucks Acquisition;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated under the laws of South Africa, further details of which are set out in the “Corporate Information” section of this Circular;
“VWAP”	volume weighted average share price; and
“ZMW”	Zambian Kwacha, with one ZMW being equal to R1.36 as at the Last Practicable Date.



Ecsponent Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/013215/06)
JSE share code: ECS ISIN: ZAE000179594
("the Company" or "Ecsponent")

Directors

TP Gregory (*Chief Executive Officer*)
B Shanahan (*Group Financial Director*)
RJ Connellan (*Chairman*)*
KA Rayner*
BR Topham*
E Engelbrecht#
P Matute#

* *Independent non-executive*

Non-executive

CIRCULAR TO ECSPONENT SHAREHOLDERS

1. INTRODUCTION

1.1 The Transactions

- 1.1.1 As detailed in a SENS announcement released on 20 December 2016, the Board has undertaken a process of rationalising the Group's operations and investments, aimed at focusing the Group's operations on its core business of SME and enterprise finance and private equity, with the Group disposing of assets not aligned to these activities.
- 1.1.2 In furtherance of this rationalisation, the Group has concluded agreements to give effect to the Disposals, which are intended to streamline operations and re-align the Group for increased strategic growth.
- 1.1.3 In addition to aligning the focus of the Group's divisions to its core business, the Disposals are expected to result in:
 - 1.1.3.1 increased focus on profit generating assets;
 - 1.1.3.2 improved cash deployment in core assets;
 - 1.1.3.3 lowered overhead costs; and
 - 1.1.3.4 reduced infrastructure requirements.
- 1.1.4 It should be noted that none of the Transactions are inter-conditional and therefore the Group may implement some, but not all the Transactions, dependent on the outcome of Shareholders' votes for or against the Transactions.

1.2 The Loan Consolidation

- 1.2.1 The companies within the Capital Group and the companies in the Ecsponent Group have various loan accounts owing to and from one another, details of which are set out in **Annexure 1**.
- 1.2.2 In addition to the current loans owing to and from the various companies in the Ecsponent Group and in the Capital Group, the considerations payable and receivable pursuant to the Transactions (excluding the EFS Zambia Subscription and the Sure Choice Disposal) will remain on loan account, further increasing the number of loans amongst the parties in the Capital Group and in the Ecsponent Group.
- 1.2.3 The companies in the Capital Group and the Ecsponent Group, have therefore entered into the Implementation Agreement in order to undertake the Loan Consolidation, resulting in adjustments to the Loan Account between ETS and Capital, such that only one consolidated loan account exists post the implementation of the Loan Consolidation.

- 1.2.4 In terms of the Implementation Agreement, all the loans payable and receivable by the companies in the Capital Group will be ceded to Capital and all the loans payable and receivable by the companies in the Ecsponent Group will be ceded to ETS.
- 1.2.5 As a result of the Disposals and the MyBucks Acquisition, the Company expects the Loan Account due to ETS by Capital to be approximately R279.5 million after the implementation of the Disposals and the MyBucks Acquisition. The loan accounts between the Ecsponent Group and the Capital Group effected by the Loan Consolidation are set out in **Annexure 1**.
- 1.2.6 The balance remaining on the Loan Account will attract interest at a rate of 28% per annum, *nacm*, and be repayable by Capital, over 60 months, with R3.5 million per month for the first nine months from April 2017, and the balance over 51 equal instalments thereafter.
- 1.2.7 The funds to be received from repayments of the Loan Account will be used to continually grow the financial services division of the group, specifically for the growth of the loan book advanced to customers.

1.3 Categorisation in terms of the Listings Requirements

- 1.3.1 Capital was the holding company of Ecsponent in the preceding 12-month period and remains a material shareholder in Ecsponent. Projects and EIH are subsidiaries of Capital and therefore classified as associates of Capital, as defined in the Listings Requirements GetBucks MU and GetBucks BW are not defined as related parties in terms of paragraph 10.1 of the Listing Requirements, however, given the common parties involved in the Transactions, the Board has decided to treat the Sure Choice Disposal and the EFS Zambia Subscription as related party transactions.
- 1.3.2 Accordingly, the Capital Transactions have been classified as related party transactions in terms of paragraph 10(b)(i) and 10(b)(vii) of the Listings Requirements. The Sure Choice Disposal and EFS Zambia Subscription are treated as related party transactions in terms of the Board's decision set out above. Accordingly, the Transactions are conditional upon, *inter alia*, the approval of a majority (50% + 1) of the Ordinary Shareholders (excluding the related parties involved and their associates) present or represented at the General Meeting.
- 1.3.3 In addition to the above, the EFS Zambia Disposal and Sure Choice Disposal each constitute, on a standalone basis, a category 2 transaction, and the ECS Holdings Disposal, the EDF Disposal and the Clade Disposal each constitute, on a standalone basis, a category 1 transaction.
- 1.3.4 Furthermore, the MyBucks Acquisition constitutes a reverse take-over in terms of the Listings Requirements and accordingly requires confirmation from the JSE that it is satisfied that the Company continues to qualify for listing on the Main Board of the JSE as if it is a new listing, which the JSE has granted on the approval of this Circular.
- 1.3.5 The *pro forma* financial effects, illustrating the effects of the Transactions are set out in **Annexure 2**, and the Reporting Accountants' report thereon is set out in **Annexure 3**.
- 1.3.6 In terms of the Listings Requirements, the Company is required to appoint an independent expert to opine on whether the terms and conditions of the Capital Transactions are fair in so far as the Shareholders of the Company (excluding the related parties involved and their associates) are concerned. In addition, the Board has elected to obtain fairness opinions on the Sure Choice Disposal and EFS Zambia Subscription. The fairness opinions provided by the Independent Expert, which concluded that the terms and conditions of the Transactions, other than the ECS Holdings Disposal are fair, and that the terms of the ECS Holdings Disposal are not fair, are set out in **Annexure 4**.

1.4 The Specific Issue

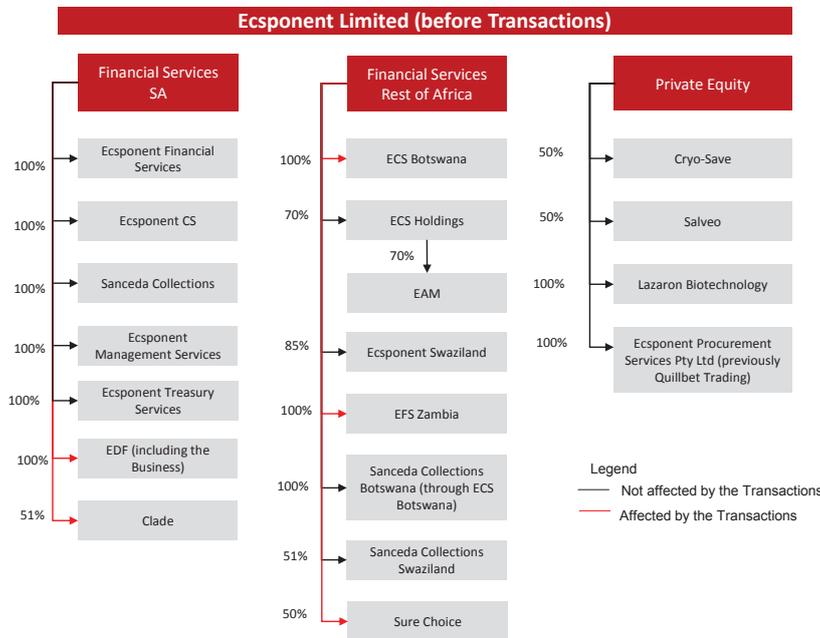
- 1.4.1 The Board is of the view that the issue of Ordinary Shares to certain Directors in settlement of Directors' remuneration in lieu of a cash settlement allows the Company to manage cash flow requirements and provides an incentive for Directors' interests to be aligned with those of the Company. The Board therefore proposes to issue 12 022 396 Ordinary Shares to TP Gregory, the Group's CEO, and B Shanahan, the Group's Financial Director, as further detailed in paragraph 10.
- 1.4.2 Directors are classified as related parties in terms of the Listings Requirements and accordingly any issue of Shares to Directors is subject to the approval of at least 75% of Ordinary Shareholders at a general meeting by way of an ordinary resolution, excluding the Director and his associates. Section 41.1 of the Companies Act also requires an issue of shares to directors to be approved via a special resolution of shareholders.
- 1.4.3 The *pro forma* financial effects, illustrating the effects of the Specific Issue, are set out in **Annexure 2**, and the Reporting Accountants' report thereon is set out in **Annexure 3**.

1.5 **Notice of General Meeting**

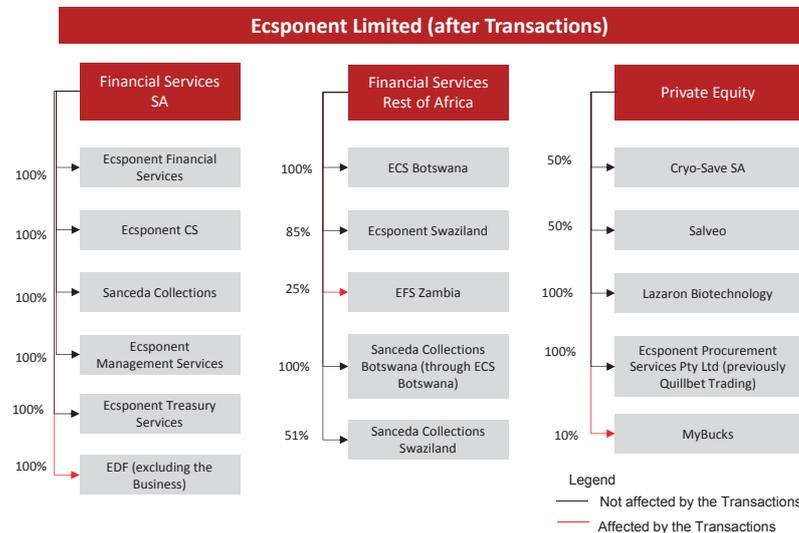
This Circular sets out information on the Transactions and the Specific Issue, together with a notice of General Meeting and Form of Proxy, for the purpose of considering, and if deemed appropriate, passing the necessary resolutions to approve the Transactions and the Specific Issue.

2. **DESCRIPTION AND PROSPECTS OF THE GROUP**

- 2.1 The Group is a niche market financial services business that specialises in the provision of financial services to SMEs and the enterprise finance sector. In addition, the Group invests in selective private equity transactions, which includes a focus on mergers and acquisitions.
- 2.2 The Company was first incorporated as a private company in March 1995, after which it converted into a public entity on 9 July 1998 and has been in operation for 21 years. Ecsponent functions as a holding company which develops interests in operational subsidiaries. Main operational segments include:
 - 2.2.1 Financial Services in Africa;
 - 2.2.2 Financial Services in South Africa; and
 - 2.2.3 Private Equity.
- 2.3 Ecsponent ensures the strategic alignment of its investment targets by applying a highly focused approach to acquisitions. Core to the approach is that target businesses should provide high barriers to entry and high gross profits resulting in above-average levels of sustainable returns.
- 2.4 The diagram below sets out the operational structure and private equity investments of the Group as at the Last Practicable Date.



2.5 The Group structure following the implementation of all the Transactions is illustrated below.



- 2.6 The names, dates and places of incorporation, issued share capital, percentage of shares held by the Company and the dates on which each subsidiary become a subsidiary of the Company, are set out in **Annexure 11**.
- 2.7 All subsidiaries have been operating since their dates of incorporation, as stated in **Annexure 11**, apart from EDF and ETS which commenced operations in June 2016.
- 2.8 As at the Last Practicable Date, no subsidiaries are listed on the JSE or on any other stock exchange.
- 2.9 Ecsponent effects governance and oversight in respect of its subsidiaries and provides central services, such as administration, treasury, management accounting, IT, legal, HR and payroll. Ecsponent adds value to its subsidiaries by providing:
- 2.9.1 capital raising expertise;
 - 2.9.2 management support and access to industry specialists;
 - 2.9.3 governance and oversight; and
 - 2.9.4 access to Financial Services Board (“FSB”) licences.

2.10 Prospects of Ecsponent

The prospects for Ecsponent are linked to the prospects of the investee companies, details of which are set out below. Over the past two years and including the Transactions, the Group has taken several strategic steps that the Directors believe have improved the future prospects of the Group.

A description of Ecsponent’s material subsidiaries and their prospects are set out below.

2.10.1 **Ecsponent Financial Services**

Ecsponent Financial Services was incorporated as a private company under the name Tiespro 69 Proprietary Limited. The name was changed to Escalator Financial Services on 22 November 2011 and thereafter was changed to Ecsponent Financial Services on 28 January 2014. Ecsponent Financial Services became a subsidiary of Ecsponent with effect from 25 July 2014, after its acquisition from Capital.

Ecsponent Financial Services is registered with the FSB as a Financial Services Provider (licence number 32968) to provide intermediary services between product providers and the public in general. Ecsponent Financial Services’ main business is the provision of financial services and it has been appointed to act as intermediary between Ecsponent and the public as a placement agent.

Ecsponent Financial Services recruits and manages qualified advisors under its FSB licence to market the products under the rules and regulations that are prescribed by the FSB.

Prospects of Ecsponent Financial Services

Ecsponent Financial Services provides access to, and control of, key elements of the channel to market financial products. FSB regulatory licences are an important component of the roll-out of the strategy and Ecsponent Financial Services provides the Group with the required licences, skills and infrastructure. The Group is expanding the range of products available to Ecsponent Financial Services which will result in improved client service and profitability.

2.10.2 **EDF**

EDF was incorporated as a private company on 5 June 2015 as a subsidiary of Ecsponent. EDF acquired the business of EIH, being financial services, as a going concern with effect from 30 June 2016, as detailed in the circular to Shareholders dated 31 March 2016.

The business operations were established in October 2014 by EIH, with the core business being the provision of short-term bridging finance to SMEs and individuals in order to fund the supply of products or services to both municipal entities and private sector corporate entities.

Prospects of EDF

EDF has an innovative business approach which focuses on high impact transactions. It focuses on the SME market where the ultimate payment risk is from a blue-chip company, state-owned enterprise or credible national, provincial or local government department. The innovative approach to funding allows SMEs with credible low risk transactions to access quick funding. EDF has already established itself as a market leader in its field and operates in several countries including South Africa, Swaziland, Botswana and Zambia.

EDF is developing technology solutions to increase its capacity and deliver this funding at lower cost levels than traditional lenders. The Board believes that EDF can continue to grow subject to the availability of capital and funding lines.

2.10.3 **Sanceda Collections**

Ecsponent acquired the business of Sanceda (i.e. assets, leased assets, marks, etc.) on 25 July 2014 from Capital, which business is now being conducted by Sanceda Collections, a wholly-owned subsidiary of Ecsponent, established for this purpose.

Sanceda Collections is a collections agency registered with the Council for Debt Collectors, which provides for collections on behalf of companies. Sanceda Collections has established the management and infrastructure to collect on a large volume of files concurrently.

Sanceda Collections' expertise includes the management of debt portfolios, tracing of defaulters, repayment and contract agreement, debit order and related collection management and legal pursuance of defaulters should this become necessary.

Prospects of Sanceda Collections

Sanceda Collections' operations have expanded its footprint to include both Botswana and Swaziland. Both of the new operations have concluded agreements for third-party collections with large blue-chip multinational companies. The Board believes that the collection on third-party books is non-core, however, collections will continue on the Group's income generating assets in the various geographies.

2.10.4 **ECS Botswana**

ECS Botswana was incorporated as a private company on 24 August 2010 under the name Loyn Proprietary Limited. On 26 April 2011, ECS Botswana's name was changed to Escalator Investment Holdings Proprietary Limited and on 21 November 2012, ECS Botswana converted into a public company. On 17 February 2014, ECS Botswana's name was changed to Ecsponent Limited.

ECS Botswana became a subsidiary of Ecsponent on 25 July 2014 following its acquisition from Capital.

The Botswana operations mirror the South African processes and the Group provides management oversight and liquidity to the country's credit operations. In addition to employee benefits, ECS Botswana provides both enterprise as well as SME credit on a secured basis to qualifying clients.

Prospects of ECS Botswana

The performance of the Botswana operations for the period ended June 2016 reflected a continued steady improvement compared to the half year ended June 2015. During the 2016 interim financial period, Botswana grew revenue by 51% to R23.2 million, total assets increased by 21.3% to R126.2 million and operating profits increased by 164.8% to R10.9 million.

The growth in the Botswana economy, stability of the currency and demand for credit continues to drive growth of the Ecsponent operation in the territory. The Directors are confident that the growth will continue.

2.10.5 **Ecsponent Swaziland**

Ecsponent Swaziland started its operations in the first half of 2014 and provides secured funding to select financial service companies and credit to small, medium and micro enterprises.

The Swaziland operation includes capital raising opportunities which mirror the South African process and provides ongoing liquidity to the country's credit operations which includes consumer credit, enterprise and SME finance.

Prospects of Ecsponent Swaziland

The six-month period ended 30 June 2016 witnessed the initiation of the roll-out of the Group's enterprise finance model in Swaziland. A co-operation agreement has been entered into with the Federation of the Swaziland Business Community in order to gauge demand for enterprise development services in Swaziland. The evaluation is well-advanced and Ecsponent Swaziland will shortly be engaging the local regulator to facilitate implementation

The country has ambitious goals which are targeted for realisation by 2022 and which require significant development in the country's SME sector. The Directors believe that the Group is perfectly positioned to provide funding and services in support of the country's objectives.

The performance of the Swaziland operations for the interim period ended 30 June 2016 reflected a steady improvement compared to the half year ended June 2015. Swaziland grew revenue by 209.2% to R16.4 million whilst operating profits increased by 1401.8% to R7.4 million. The company has a liability of R57.9 million to preference share investors in Swaziland.

The Directors have confidence that the business will continue to grow in the territory.

2.10.6 **EFS Zambia**

The Zambian operation provides similar products and services as the rest of the Group. The country's demand for both retail and business credit ensures that the company's products are likely to be profitable and successful.

The Bank of Zambia awarded Ecsponent Zambia with a Tier 2 Deposit Taking Licence thereby providing the company with the regulatory approvals to proceed with its operations.

EFS Zambia already holds deposits from retail investors and provides loans to SMEs that qualify, as well as factoring finance for secured transactions.

Prospects of EFS Zambia

The country has been depressed by the dramatic reduction in international commodity prices/demand and has also suffered significant currency fluctuation depressing both investments and business confidence. The company has delayed its normally bold start-up planning as a result of the uncertain business climate and this is reflected in the financial returns of the territory.

Although in its infancy, Ecsponent Zambia has begun providing credit to SMEs that qualify, as well as enterprise finance for secured transactions. The Directors are confident that the Zambian operations will provide significant returns to the Group.

2.10.7 **Ecsponent CS**

Ecsponent CS became a subsidiary of Ecsponent on 1 July 2011, after the acquisition by Ecsponent of 100% of the shares in, and claims against, Ecsponent CS for a cash consideration of R100.

Ecsponent CS specialises in providing financial services to third-party companies. Ecsponent CS' core business remains unsecured small to SME credit. The company has expanded further through its entrance into the transactional finance market specifically for the SME market, focusing on secured loans.

Prospects of Ecsponent CS

The demand for funding to SMEs in South Africa and Africa is uncapped. As a result, the company's growth is restricted only by access to capital and the Group's credit policies. Margins in the sector are substantial.

2.10.8 **Cryo-Save SA**

Experite NV and Ecsponent have a joint venture which provides for the harvesting and banking of stem cells from both cord blood as well as cord tissue. Cryo-Save SA became a subsidiary of Ecsponent on 1 July 2011.

Experite NV's Cryo-Save operation ("Cryo-Save") is the leading international family stem cell bank and already stores over 310 000 samples from cord blood and umbilical cord tissue for new-borns and adipose tissue for adults. There are already several diseases that can be cured by the use of stem cells, and the Directors believe the number of treatments will increase. Driven by its international business strategy, Cryo-Save is represented in 40 countries on three continents, with ultra-modern processing and storage facilities in Belgium, Germany, Dubai, India and France.

Cryo-Save SA combines Cryo-Save's leading expertise in stem cell processing and storage with Ecsponent's local and African market expertise and offers customers the option of storing cord tissue and stem cells from cord blood in South Africa or offshore in Belgium.

Prospects of Cryo-Save SA

The local and international demand for cryogenically preserved stem cells and related products continues to grow exponentially. Management continue to investigate products and services which leverage the Group's infrastructure and expertise.

2.10.9 **Salveo**

Salveo is a Geneva-based biotechnology group specialising in stem cell therapies and cryogenic stem cell storage. The group also provides high technology pre- and post-natal testing for genetic and other diseases. In addition the group is in the forefront of international regenerative medicine developments.

Salveo initially became a subsidiary of Ecsponent on 24 February 2004, after which Ecsponent reduced its equity stake to 24% as a result of a public offering to raise working capital. During 2012, Ecsponent re-acquired the 76% shares from minority shareholders and in April 2014 Experite NV obtained a 50% interest in Salveo, with Ecsponent owning the remaining 50% interest.

The main aim and focus of Salveo is to develop stem cell-related biotechnologies in South Africa, by leveraging health-enhancing knowledge and products into society through careful and ethical use of adult stem cells. This is achieved through collaboration with international consortiums, such as the Asian Pacific Cord Blood Bank Consortium, and overseas collaboration with leading individuals and companies.

Prospects of Salveo

The biotechnology sector is directly linked to the fluctuations in the international economy and margins remain under pressure. During the six-month period ended 30 June 2016, the group has continued to protect its market share and is bullish about the prospects for the future.

The contracts concluded by both Cryo-Save and Salveo have begun to translate into sales and this is anticipated to ramp-up during the second half of the year. Further channels to market are being negotiated by management and these are anticipated to be realised in the near future.

In accordance with the Group's policy the development costs of all the new ventures have been expensed and are included in the operating results.

2.10.10 **Ecsponent Management Services**

Ecsponent Management Services (previously known as Vanguard) provides the Group with administrative and management services including treasury. Ecsponent Management Services initially became a subsidiary of Ecsponent on 29 October 2002 and allows management in the operational entities to focus on the core business rather than back-office functions.

Prospects of Ecsponent Management Services

Ecsponent Management Services is not a profit entity, but a cost centre for the Group. The continued growth of the Group will result in the continued growth in the scope of activities performed by Ecsponent Management Services on behalf of the Group.

2.10.11 **ETS**

ETS manages the Groups treasury function on a centralised basis. ETS became a subsidiary of Ecsponent on 8 December 2015 and allows management in the operational entities to focus on the core business rather than back-office functions.

Prospects of ETS

ETS manages the Group's SME loan facilities in South Africa as a significant cash-generating unit. These facilities were moved from Ecsponent Management Services during the latter part of 2016 as part of the Groups re-organisation and restructuring. The continued growth of the Group will result in the continued growth in the scope of activities performed by ETS on behalf of the Group.

3. **THE ECS HOLDINGS DISPOSAL**

3.1 **Overview and rationale**

- 3.1.1 In terms of the ECS Holdings Disposal Agreement, the Company will dispose of its 70% interest in, and loan accounts against ECS Holdings to Projects, for a sale consideration of P34 000 000 (equal to R42 840 000 as at Last Practicable Date).
- 3.1.2 As at 30 June 2016, being the last reporting date of the Group, the loan account against ECS Holdings amounted to R12 007 517.
- 3.1.3 The operations of ECS Holdings are non-core to the Group and require a more diversified business portfolio, extended management infrastructure and further capitalisation. Accordingly, the ECS Disposal is in line with the Board's strategy to focus the Group's operations on its core-business.

3.2 **Description and prospects of the business of ECS Holdings**

- 3.2.1 ECS Holdings provides financial services, including investment products and enterprise finance, to SMEs in Botswana. ECS Holdings also owns 70% of the issued share capital of EAM, which has a Collective Investment Undertaking licence and is incorporated and licensed as an Investment Company with Variable Capital (ICVC), regulated by the Non-Banking Financial Institutions Regulatory Authority (NBFIRA).
- 3.2.2 ECS Holdings currently holds 100% of the issued share capital of Sanceda Botswana, a collection services company operating in Botswana. Sanceda Botswana does not form part of the ECS Holdings Disposal and therefore the shareholding in Sanceda Botswana will be transferred to another Ecsponent Group company prior to the implementation of the ECS Holdings Disposal.

- 3.2.3 EAM has rolled out new investment products to the market and is currently raising funds to be deployed in income generating assets in terms of the product mandates and management believes this may continue to improve. Furthermore, the deployment of funds in enterprise finance is uncapped and provides opportunity for growth in the geography.

3.3 Financial information pertaining to ECS Holdings

- 3.3.1 As at 30 June 2016, being the Company's last reporting date, ECS Holdings had a total negative net asset value of P2 104 (R2 807 on 30 June 2016). EAM had a total negative net asset value of P1 106 406 (R1 475 857 on 30 June 2016).
- 3.3.2 For the six-month period ended 30 June 2016 ECS Holdings had a total net loss after tax of P3 104, and EAM had a total net loss after tax amounting to P1 106 506.
- 3.3.3 Further *pro forma* financial information on the ECS Holdings Disposal has been set out in paragraph 11.1 and **Annexure 2**.
- 3.3.4 The report on historic financial information for ECS Holdings for the financial years ended 31 December 2013 to 31 December 2015, and for the six months ended 30 June 2016 is incorporated by reference, as set out in paragraph 37. The Reporting Accountants' report thereon is set out in **Annexure 5**.
- 3.3.5 The reviewed interim financial statements for Sanceda Botswana for the period ended 30 June 2016, which does not form part of the ECS Holdings Disposal, is incorporated by reference as set out in paragraph 37. The Reporting Accountants' report on Sanceda Botswana is contained in **Annexure 6**.
- 3.3.6 The report on historic financial information is the responsibility of the Directors.

3.4 Terms of the ECS Holdings Disposal

3.4.1 **Sale consideration**

- 3.4.2 The sale consideration of P34 000 000 (equal to R42 840 000 as at Last Practicable Date) will be set-off against the Loan Account pursuant to the Loan Consolidation.
- 3.4.3 The parties to the ECS Holdings Disposal Agreement have agreed a budget for the operations of ECS Holdings in the normal course of business between the signature date of the ECS Holdings Disposal Agreement and the expected effective date. Any deviation from the budget will result in an adjustment to the sale consideration, provided it is agreed to by the parties in advance.

3.4.4 **Suspensive conditions**

The agreement is subject to the fulfilment, or waiver if applicable, of the following suspensive conditions on or before the financial year-end of the Company:

- 3.4.4.1 approval by the Shareholders of the Company in general meeting, excluding Projects and its associates;
- 3.4.4.2 approval by the South African Reserve Bank, to the extent necessary; and
- 3.4.4.3 approval by the Takeover Regulations Panel, to the extent necessary.

3.4.5 **Effective date**

The effective date will be 11:59 PM on the last day of the month in which the conditions precedent to the ECS Holdings Disposal have been fulfilled, or waived as the case may be.

3.4.6 **Other significant terms**

- 3.4.6.1 Projects has undertaken to procure an amendment to the name of ECS Holdings to another appropriate name that is not in conflict, or reasonably similar to, the name of the entities within the Ecsponent Group.
- 3.4.6.2 Further terms, conditions and warranties that are usual for a transaction of this nature are contained in the ECS Holdings Disposal Agreement.

3.5 Approval required

In terms of the Listings Requirements, the ECS Holdings Disposal is a related party transaction and therefore requires approval by ordinary resolution of more than 50% of Ordinary Shareholders, excluding Projects and its associates, present or represented at the General Meeting. Projects and its associates will, however, be taken into account for the purpose of determining a quorum for the General Meeting.

4. THE EDF DISPOSAL

4.1 Overview and rationale

- 4.1.1 In terms of the EDF Disposal Agreement, EDF, a subsidiary of Ecsponent, will dispose of the Business to EIH, a wholly-owned subsidiary of Capital, as a going concern, for a sale consideration of R120 150 000.
- 4.1.2 Enterprise finance is an exciting opportunity for Ecsponent and the growth of the Business has been very positive. EDF's client base includes retail clients, local government/municipal business as well as corporate transactions. In order to penetrate this market effectively the Board has decided to focus on the corporate sector. As a result, EDF will dispose of its municipal and retail business to EIH and will retain the corporate enterprise finance business. This is in line with the Board's decision to focus on its core operations.
- 4.1.3 In addition, Topaz disposed of its 26% shareholding in EDF to the Company on 30 September 2016 for a total consideration of R1, resulting in the Company's interest in EDF increasing from 74% to 100%. Under the shareholders' agreement, Andrew Maren, through Topaz, was allocated a 26% shareholding in EDF to align the performance expectations of the Group with those of the Shareholders, subject to his continued employment by EDF. Andrew has resigned from EDF and accordingly Topaz has transferred its 26% shareholding in EDF to the Company. The business is currently managed by the executive directors until a suitable replacement has been appointed.

4.2 Description and prospects of the business of EDF

- 4.2.1 EDF operates as a financial services entity, providing financing to entities and individuals requiring short-term bridging finance in order to fund the supply of products or services to both municipal entities and private sector corporate entities.
- 4.2.2 EIH is an innovative business to business lender which focuses on high impact transactions. It focuses on the SME market where the ultimate payment risk is from a blue-chip company, state-owned enterprises or credible national, provincial or local government departments.
- 4.2.3 The business conducted by EDF was initially established by EIH in October 2014, after which EDF acquired the business of EIH on 30 June 2016 for a purchase consideration of R118 957 242.
- 4.2.4 The business has demonstrated significant growth and two specific target markets have developed, namely the municipal/local government market and the corporate market. These two markets have distinctly differing requirements specifically in respect of securitisation, margins, infrastructure, etc. The Board has resolved to focus on the corporate market and to dispose of the other sectors to EIH.

4.3 Financial information pertaining to EDF

- 4.3.1 As at 30 June 2016, being the Company's last reporting date, EDF had a total negative net asset value of R73 889 650, of which R70 750 340 relates to the portion of the business that is subject to the EDF Disposal, and R3 139 310 relates to the business being retained.
- 4.3.2 For the six-month period ended 30 June 2016, the business being conducted by EDF yielded a profit after tax of R833 859, of which R721 095 relates to the portion of the business that is subject to the EDF Disposal, and R112 764 relates to the business being retained. It should be noted that the financial performance of the business of EDF is not included in the Group results for the interim period ended 30 June 2016, as EDF was only effectively acquired on 30 June 2016.
- 4.3.3 Further *pro forma* financial information on the EDF Disposal has been set out in paragraph 11.1 and **Annexure 2**.
- 4.3.4 The report on historic financial information for the Business of EDF for the financial year ended 31 December 2015, and for the six months ended 30 June 2016 is incorporated by reference as set out in paragraph 37. The Reporting Accountants' report thereon is set out in **Annexure 7**.
- 4.3.5 The report on historic financial information is the responsibility of the Directors.

4.4 Terms of the EDF Disposal

4.4.1 Sale consideration

- 4.4.1.1 A total amount of R120 150 000 will be payable by EIH to EDF pursuant to the EDF Disposal, provided the value of the loan book is equal to R45 000 000 on the effective date of the EDF Disposal. Should the value of the loan book be less or more than R45 000 000, there will be a corresponding *pro rata* adjustment in the sale consideration. The value of the loan book was R57.9 million as at 31 December 2016.

4.4.1.2 The sale consideration will be set-off against the Loan Account pursuant to the Loan Consolidation.

4.4.2 **Suspensive conditions**

The EDF Disposal Agreement is subject to the fulfilment, or waiver if applicable, of the following suspensive conditions, on or before the financial year-end of the Company, or such later date as mutually agreed between the parties.

4.4.2.1 approval by the Shareholders of the Company, excluding EIH and its associates, in general meeting;

4.4.2.2 approval by the Takeover Regulations Panel to the extent necessary; and

4.4.2.3 approval by the Competition Commission to the extent necessary.

4.4.3 **Effective date**

The effective date of the EDF Disposal will be 11:59 on the last day of the month in which the conditions precedent of the EDF Disposal Agreement have been fulfilled, or waived as the case may be.

4.4.4 **Other significant terms**

4.4.4.1 The ownership of all intellectual property and marks ("Usage Assets") will remain with EDF. EDF will grant EIH the right to use the Usage Assets indefinitely from the effective date of the EDF Disposal.

4.4.4.2 EIH has undertaken to procure an amendment to its name to another appropriate name that is not in conflict, or reasonably similar to, the name of the entities within the Ecspont Group.

4.4.4.3 Further terms, conditions and warranties that are usual for a transaction of this nature are contained in the EDF Disposal Agreement.

4.4.5 **Approval required**

In terms of the Listings Requirements, the EDF Disposal is a related party transaction and requires approval by ordinary resolution of more than 50% of Ordinary Shareholders, excluding EIH and its associates, present or represented at the General Meeting. Capital and its associates will, however, be taken into account for the purpose of determining a quorum for the General Meeting.

5. THE CLADE DISPOSAL

5.1 **Overview and rationale**

5.1.1 In terms of the Clade Disposal Agreement, the Company will dispose of its 51% interest and loan accounts in Clade to Capital for a total consideration of R15 500 000.

5.1.2 As at Last Practicable Date, the loan account in Clade amounted to R2 221 738.

5.1.3 The operations of Clade are considered to be non-core to the Group. The operations of Clade require a more diversified business portfolio, requiring extended management infrastructure and further capitalisation. The Board is of the opinion that a more focused operational structure and the deployment of funds into core assets would be more beneficial to the Group's profitability.

5.2 **Description and prospects of the business of Clade**

5.2.1 Clade was founded in 2004 as an asset manager operating out of South Africa. Clade offers a range of alternative, traditional long-only and hybrid investment solutions for investors in Africa and globally.

5.2.2 Clade focuses on providing high-quality, low-cost solutions, with high service levels to knowledgeable professional investors both in South Africa and internationally. It also provides retail versions of its more popular products. Clade has category 2 and 2A investment licences with the Financial Services Board.

5.2.3 The Company originally acquired its interest in Clade on 30 June 2016 for a purchase consideration of R11 000 000. The Company had anticipated that Clade would provide alternative means of raising funding for the Group, however, the Board believes that these are no longer viable given certain complexities and that the Group should focus on its core operations. Clade will be rolling out new products to the market in due course providing the opportunity to raise sufficient funds for deployment in income generating assets.

5.3 Financial information pertaining to Clade

- 5.3.1 As at 30 June 2016, being the Company's last reporting date, Clade had a total net asset value of R3 421 113.
- 5.3.2 For the six-month period ended 30 June 2016, Clade had a total net loss after tax of R441 330.
- 5.3.3 Further *pro forma* financial information on the Clade Disposal has been set out in paragraph 11.1 and **Annexure 2**.
- 5.3.4 The report on historic financial information for Clade for the financial years ended 31 December 2013 to 31 December 2015, and for the six months ended 30 June 2016 is incorporated by reference as set out in paragraph 37. The Reporting Accountants' report thereon is set out in **Annexure 8**.
- 5.3.5 The report on historic financial information is the responsibility of the Directors.

5.4 Terms of the Clade Disposal

5.4.1 Sale consideration

- 5.4.1.1 The sale consideration of R15 500 000 will be set-off against the Loan Account pursuant to the Loan Consolidation.
- 5.4.1.2 The parties to the Clade Disposal Agreement have agreed a budget for the operations of Clade in the normal course of business between the signature date of the Clade Disposal Agreement and the expected effective date. Any deviation from the budget will result in an adjustment to the sale consideration, provided that the deviations are agreed by the parties in advance.

5.4.2 Suspensive conditions

- 5.4.2.1 The Clade Disposal Agreement is subject to the fulfilment of the following suspensive conditions, on or before the financial year-end of the Company, or such later date as mutually agreed between the parties to the Clade Disposal Agreement:
- 5.4.2.1.1 approval by the Shareholders, excluding Capital and its associates, of the Company in general meeting; and
- 5.4.2.1.2 Clade obtaining the necessary waiver, or exemption, from the Takeover Regulations Panel from the requirements of section 123 of the Act.

5.4.3 Effective date

The effective date will be 11:59 on the last day of the month in which the suspensive conditions to the Clade Disposal have been fulfilled, or waived as the case may be.

5.4.4 Other significant terms

Further terms, conditions and warranties that are usual for a transaction of this nature are contained in the Clade Disposal Agreement.

5.4.5 Approval required

In terms of the Listings Requirements, the Clade Disposal is a related party transaction and therefore requires approval by ordinary resolution of more than 50% of Ordinary Shareholders, excluding Capital and its associates, present or represented at the General Meeting. Capital and its associates will, however, be taken into account for the purpose of determining a quorum for the General Meeting.

6. THE EFS ZAMBIA SUBSCRIPTION

6.1 Overview and rationale

- 6.1.1 In terms of the EFS Zambia Subscription Agreement, EFS Zambia will issue 1 500 000 ordinary shares to GetBucks MU, for a subscription price of ZMW7 500 000 (equal to R10 200 000 at the Last Practicable Date).
- 6.1.2 Following the EFS Zambia Subscription, the shares in EFS Zambia will be held as follows:

Shareholder	Number of shares	% shareholding
Ecsponent	499 999	24.9995
Getbucks MU	1 500 000	75.0000
TP Gregory	1	0.0005
Total	2 000 000	100

- 6.1.3 The dilution from 99.995% to 24.995% is in line with the Company's strategic objective to exit retail credit, which is considered to be non-core to the Group. The Company will remain a funder to this operations through the provision of SME credit.
- 6.1.4 The subscription consideration received by EFS Zambia will be used by EFS Zambia to partially grow the infrastructure of the EFS Zambia operations, which currently only house two employees, with the intention that it will become a fully-fledged banking operation with the use of its deposit-taking licence. A further portion of the funds will be used to grow the loan book of EFS Zambia by disbursing further loans to credit-approved customers.
- 6.2 Description and prospects of the business of EFS Zambia**
- 6.2.1 EFS Zambia was awarded a deposit-taking micro finance banking licence and its investment products are deployed under the authority of the Bank of Zambia. These include a range of options from entry-level savings-based products on payroll deduction, to high-end retail investments.
- 6.2.2 The Zambian market has shown a very big demand for local credit which when aligned with a lower cost of funding resulting in reduced rates to the market, indicates great potential to grow the local business. The business is still in its ramp-up phase and should start to yield positive returns with the deployment in income generating assets.
- 6.3 Financial information pertaining to EFS Zambia**
- 6.3.1 As at 30 June 2016, being the Company's last reporting date, EFS Zambia had a total net asset value of ZMW450 506 (R661 753 at 30 June 2016).
- 6.3.2 For the six-month period ended 30 June 2016, EFS Zambia had a total net loss after tax of ZMW1 238 462 (R2 525 199 at 30 June 2016).
- 6.3.3 Further *pro forma* financial information on the EFS Zambia Subscription has been set out in paragraph 11.1 and **Annexure 2**.
- 6.3.4 The report on historic financial information for EFS Zambia for the financial years ended 31 December 2013 to 31 December 2015, and for the six months ended 30 June 2016 is incorporated by reference as set out in paragraph 37. The Reporting Accountants' report thereon is set out in **Annexure 9**.
- 6.3.5 The report on historic financial information is the responsibility of the Directors.
- 6.4 Terms of the EFS Zambia Subscription Agreement**
- 6.4.1 **Subscription price**
- The subscription price of ZMW7 500 000 (equal to R10 200 000 at the Last Practicable Date) will be paid in cash on the effective date of the EFS Zambia Subscription.
- 6.4.2 **Suspensive conditions**
- The agreement is subject to the fulfilment, or waiver if applicable, of the following suspensive conditions, on or before the financial year-end of the Company, or such later date as mutually agreed between the parties.
- 6.4.2.1 increase of EFS Zambia's authorised ordinary share capital to no less than 2 000 000 authorised ordinary shares of ZMW1.00 each;
- 6.4.2.2 approval by the Shareholders of the Company in general meeting;
- 6.4.2.3 approval by the South African Reserve Bank, to the extent necessary;
- 6.4.2.4 approval by the Bank of Zambia, to the extent necessary.
- 6.4.3 **Effective date**
- The effective date will be 11:59 on the last day of the month in which the conditions precedent to the EFS Zambia Subscription have been fulfilled, or waived as the case may be.
- 6.4.4 **Other significant terms**
- 6.4.4.1 Ecsponent shall retain its working capital loan facility in EFS Zambia, which loan facility shall continue to be repaid by EFS Zambia to Ecsponent in the normal course of business.
- 6.4.4.2 Further terms, conditions and warranties that are usual for a transaction of this nature are contained in the EFS Zambia Subscription Agreement.
- 6.5 Approval required**
- The EFS Zambia Subscription is treated as a related party transaction by the Board and the Board is providing shareholders an opportunity to vote thereon. The EFS Zambia Subscription therefore requires approval by ordinary resolution of more than 50% of Ordinary Shareholders present or represented at the General Meeting.

7. THE SURE CHOICE DISPOSAL

7.1 Overview and rationale

- 7.1.1 In terms of the Sure Choice Disposal Agreement, ECS Botswana will dispose of its 50% interest in Sure Choice to GetBucks BW for a sale consideration of P10 000 000 (R12 600 000 as at the Last Practicable Date).
- 7.1.2 As a consequence of the decision to exit retail credit provision, which is considered to be non-core, the Board has entered into agreements with GetBucks BW to dispose of ECS Botswana's interest in Sure Choice, a provider of retail credit. ECS Botswana will remain a funder to the operations of Sure Choice. This reduces the cost base of credit provision for Ecspenent and improves the securitisation of the credit facilities.
- 7.1.3 The sale consideration received by ECS Botswana will be used by the Group mainly to grow the loan book of the Group by disbursing further loans to credit-approved customers. A portion of the funds will be used for operational working capital requirements of the Group.

7.2 Description and prospects of the business of Sure Choice

- 7.2.1 Sure Choice provides retail credit to government employees in Botswana and is a registered micro financier, regulated by NBFIRA.
- 7.2.2 The local demand for funding resulted in continued growth of the payroll lending loan book and is expected to continue for the periods ahead, resulting in sustained future returns.

7.3 Financial information pertaining to Sure Choice

- 7.3.1 As at 30 June 2016, being the Company's last reporting date, Sure Choice had a total negative net asset value of P3 409 839 (equal to R4 548 452 at 30 June 2016).
- 7.3.2 For the six-month period ended 30 June 2016 Sure Choice had a total net loss after tax of P418 835 (R567 572 at 30 June 2016).
- 7.3.3 Further *pro forma* financial information on the Sure Choice Disposal has been set out in paragraph 11.1 and **Annexure 2**.
- 7.3.4 The report on historic financial information for Sure Choice for the financial years ended 31 December 2013 to 31 December 2015, and for the six months ended 30 June 2016 is incorporated by reference as set out in paragraph 37. The Reporting Accountants' report thereon is set out in **Annexure 10**.
- 7.3.5 The report on historic financial information is the responsibility of the Directors.

7.4 Terms of the Sure Choice Disposal Agreement

7.4.1 **Sale consideration**

- 7.4.2 The sale consideration of P10 000 000 (R12 600 000 as at the Last Practicable Date) will be payable in cash in 12 equal monthly instalments on or before the last day of each successive calendar month, with the first instalment falling due on the last day of the calendar month following the effective date of the Sure Choice Disposal Agreement. The outstanding balance of the sale consideration will accrue interest at a rate of 12.5% per annum, *nacm*, as from the effective date and shall be payable monthly together with each sale consideration instalment.

7.4.3 **Suspensive conditions**

The Sure Choice Disposal Agreement is subject to the fulfilment, or waiver if applicable, of the following suspensive conditions, on or before the financial year-end of the Company, or such later date as mutually agreed between the parties:

- 7.4.3.1 Sure Choice obtaining a written waiver of the pre-emptive rights by the existing and remaining shareholders of Sure Choice as contained in the shareholders' agreement in respect of Sure Choice.
- 7.4.3.2 approval by the Shareholders of the Company in general meeting; and
- 7.4.3.3 approval by the board of directors of the GetBucks BW.

7.4.4 **Effective date**

The effective date will be 11:59 on the last day of the month in which the conditions precedent to the Sure Choice Disposal have been fulfilled, or waived as the case may be.

7.4.5 **Other significant terms**

- 7.4.5.1 ECS Botswana undertakes, on the effective date, to capitalise such required amount of its existing shareholder loan to Sure Choice in order to ensure a positive NAV position for Sure Choice. The shareholders loan was R74 million as at the Last Practicable Date.
- 7.4.5.2 The balance of the shareholders loan will be repayable in 36 equal monthly instalments, with any outstanding balance accruing interest at a rate of 28% per annum, *nacm*.

- 7.4.5.3 In the event that the Sure Choice Disposal is successfully concluded, but the ECS Holdings Disposal fails, then Sure Choice shall cede to ECS Botswana the loan receivable from EAM on an outright basis, and ECS Botswana's shareholders loan shall reduce by such value as is equal to the EAM balance on the effective date.
- 7.4.5.4 Further terms, conditions and warranties that are usual for a transaction of this nature are contained in the Sure Choice Disposal Agreement.

7.4.6 **Approval required**

The Sure Choice Disposal is treated as a related party transaction by the Board and the Board is providing shareholders an opportunity to vote thereon. The Sure Choice Disposal therefore requires approval by ordinary resolution of more than 50% of Ordinary Shareholders present or represented at the General Meeting.

8. THE MYBUCKS ACQUISITION

8.1 Overview and rationale

- 8.1.1 ECS Botswana, a wholly-owned subsidiary of the Company, will acquire 10.002% of the issued share capital of MyBucks from Projects, a wholly-owned subsidiary of Capital, for a purchase consideration of R262 570 000.
- 8.1.2 The MyBucks Acquisition provides Ecsponent with a non-controlling equity interest in a dynamic and fast-growing financial technology business which is at the cutting edge of its industry, has high profit margins, proprietary credit scoring, rigorous risk and credit management, a diversified and risk balanced loan portfolio and an experienced management team.
- 8.1.3 This acquisition fits the Group's target profile as MyBucks has significant intellectual property and provides high profit margins and the Board believes that the MyBucks Acquisition will be value-enhancing to the Group.

8.2 Description and prospects of MyBucks

- 8.2.1 MyBucks is a listed financial technology company providing financial products and services to customers locally and internationally. MyBucks was first incorporated in 2015 and converted into a public company in 2016. The business of MyBucks has been operational for five years. MyBucks listed on the Frankfurt Stock Exchange in June 2016, under share code MBC:GR and ISIN LU1404975507, with a market capitalisation of €174 million (equal to R2 492 million as at Last Practicable Date). As at the Last Practicable Date, MyBucks had a market capitalisation of €181 million (equal to R2 592 million as at Last Practicable Date)
- 8.2.2 Financial products offered by MyBucks include, banking, lending (short and long-term), insurance, credit reports and budgeting tools. MyBucks operates under three different brands:
 - 8.2.2.1 GetBucks, represented in 11 countries and consisting of lending to small and medium size companies and entrepreneurs, including home improvement loans, personal credit loans, educational loans, agricultural loans, corporate loans, credit reports and budgeting tools;
 - 8.2.2.2 GetSure, represented in six countries, consisting of insurance products, including agricultural catastrophe insurance, corporation insurance, income protection and education provider cover; and
 - 8.2.2.3 GetBanked, represented in six countries, consisting of virtual banking products, such as savings accounts, mobile transactions, transactional cards and remittances.
- 8.2.3 MyBucks is represented in 14 countries in total, including South Africa, Botswana, Kenya, Malawi, Namibia, Poland, Spain, Swaziland, Uganda, Zambia and Zimbabwe.
- 8.2.4 The MyBucks strategy consists of providing higher volume credit and financial services to customers with positive credit ratings, at reduced rates and on attractive terms.
- 8.2.5 MyBucks further expects to benefit from non-organic growth through the potential acquisition of the Pan-African group of companies, which consists of three depositing-taking financial institutions, one savings and loan institution and two non-bank financial institutions. The rationale for the potential acquisition of the abovementioned Pan African group of companies includes:
 - 8.2.5.1 expanding the serviceable customer base to over 1.5 million customers and geographic reach to 14 countries in which MyBucks operate;
 - 8.2.5.2 upscaling MyBucks' existing operations and enhancing competitive positions in Kenya, Malawi and Uganda;
 - 8.2.5.3 providing market entry into three new countries, namely Ghana, Mozambique and Tanzania;

- 8.2.5.4 reducing costs of funding for MyBucks, by broadening funding opportunities to a large deposit base of in excess of €50 million;
- 8.2.5.5 providing access to a larger customer database to improve credit scoring model algorithms; and
- 8.2.5.6 improving efficiency of collection methods by being able to directly debit customers' bank accounts from within own institutions.

8.3 Management of MyBucks

- 8.3.1 Details of the executive directors of MyBucks, who also constitute the management team, are set out below:

Name of director	Position	Qualifications and experience
Dave van Niekerk	Chief Executive Officer	Technology, Operations, Innovations and Credit
Tim Nuy	Executive Director	Business Development, Corporate Affairs and Risk Management

8.4 Financial performance

- 8.4.1 As at 30 June 2016, MyBucks had a total net asset value of €19 489 701 (equal to R278 702 724 at the Last Practicable Date).
- 8.4.2 For the financial period ended 30 June 2016, MyBucks had a net loss after tax of €646 333 (equal to R9 242 561 at the Last Practicable Date).
- 8.4.3 Further *pro forma* financial information on the MyBucks Acquisition has been set out in paragraph 11.1 and **Annexure 2**.
- 8.4.4 The historic financial information for MyBucks for the financial years ended 30 June 2013 to 31 December 2015 can be obtained from the MyBucks prospectus, which is incorporated by reference into this circular in terms of paragraph 37.
- 8.4.5 The historic financial information for MyBucks for the financial year ended 30 June 2016 can be obtained from the MyBucks website which is incorporated by reference into this circular in terms of paragraph 37.
- 8.4.6 The historic financial information for MyBucks has been prepared in terms of IFRS and has been audited by PwC Luxembourg. The JSE has granted dispensation to Ecsponent from providing an additional Reporting Accountant's report on MyBucks financial information.
- 8.4.7 The report on historic financial information is the responsibility of the Directors.

8.5 Terms of the MyBucks Acquisition

8.5.1 **Purchase consideration**

A total consideration equal to R262 570 000 will be payable by ECS Botswana to Projects, which will be set-off against the Loan Account on the effective date pursuant to the Loan Consolidation.

8.5.2 **Suspensive conditions to the MyBucks Acquisition**

The MyBucks Acquisition Agreement is subject to the fulfilment, or waiver if applicable, of the following suspensive conditions, on or before the financial year-end of the Company, or such later date as mutually agreed between the parties to the MyBucks Acquisition Agreement:

- 8.5.2.1 approval by the Shareholders of the Company, excluding Capital and its associates, of the MyBucks Acquisition in a general meeting;
- 8.5.2.2 approval by the Hauck & Aufhäuser in terms of the Lock-Up Agreement; and
- 8.5.2.3 approval by the South African Reserve Bank, to the extent necessary.

8.5.3 **Effective date of the MyBucks Acquisition**

The effective date will be 11:59 on the last day of the month in which the suspensive conditions to the MyBucks Acquisition have been fulfilled, or waived as the case may be.

8.5.4 **Other terms of the MyBucks Acquisition**

- 8.5.4.1 In terms of the Lock-Up Agreement, Projects may not dispose of, or enter into an agreement to dispose of, the shares in MyBucks without the prior written consent of Hauck & Aufhäuser, up to 30 June 2017. Following the MyBucks Acquisition, ECS Botswana will also become

party to the Lock-Up Agreement and therefore ECS Botswana will be subject to the same restrictions on the transfer or disposal for the shares in MyBucks, the terms of which are contained in **Annexure 16**.

- 8.5.4.2 The MyBucks Acquisition Agreement does not contain any restraint of trade or similar restrictions which would prohibit Projects from carrying on a business similar to that of the Group.
- 8.5.4.3 No guarantees have been provided by Projects and further terms, warranties and representations that are usual for a transaction of this nature have been provided by the parties to the MyBucks Acquisition Agreement.
- 8.5.4.4 Taxes that arise as a result of the MyBucks Acquisition will be settled during the ordinary course of business.
- 8.5.4.5 The shares will be transferred to ECS Botswana on the effective date of the MyBucks Acquisition and will not be pledged or ceded by the Group as security for any debts on the effective date.

8.6 Goodwill

The MyBucks Acquisition results in the acquisition of a non-controlling interest and the MyBucks Interest will be accounted for as an investment at fair value through profit and loss by ECS Botswana. Accordingly, the MyBucks Acquisition will not give rise to any goodwill in the accounts of the Company.

8.7 Details of the vendor

- 8.7.1 The MyBucks Interest will be acquired from Projects, a wholly-owned subsidiary of Capital, which is wholly-owned by the Holdem Legacy Trust, having its business address at Exponential Building, 6th Floor, Plot 54351, New CBD, Gaborone, Botswana. Projects' investment in MyBucks was initially acquired in tranches during the 2016 calendar year.
- 8.7.2 The trustees of the Holdem Legacy Trust are Mr E Engelbrecht and his spouse. Beneficiaries of the Holdem Legacy Trust are any trusts (including beneficiaries of a trust), companies, charitable, educational, ecclesiastical, medical or caretaking establishments, or legal entities established by the Holdem Legacy Trust. No such entities have been established to date.
- 8.7.3 The indirect non-beneficial interest of Mr E Engelbrecht in Capital, and in the Transactions, is set out in paragraph 15 and 16.

8.8 Approval required

In terms of the Listings Requirements, the MyBucks Acquisition is a related party transaction and therefore requires approval by ordinary resolution of more than 50% of Ordinary Shareholders, excluding Projects and its associates, present or represented at the General Meeting. Projects and its associates will, however, be taken into account for the purpose of determining a quorum for the General Meeting.

9. DIRECTORS' OPINION ON THE TRANSACTIONS

- 9.1 Given the benefits and rationale set out in paragraph 1.1 for the Disposals, and the prospects for MyBucks set out in paragraph 8.2, the Board believes that all the Transactions are fair, individually and in aggregate.
- 9.2 The Directors therefore intend to vote in favour of the Transactions as regards their shareholding in the Company, and recommend that Shareholders do the same.
- 9.3 As the Capital Transactions are related party transactions (as defined by the Listings Requirements), the Company is required to obtain fairness opinions from an Independent Expert on whether the terms of the Disposals and the MyBucks Acquisition are fair to Shareholders (excluding, where applicable Capital and its associates). In addition, the Board has elected to obtain a fairness opinion on the Sure Choice Disposal and EFS Zambia Subscription. Shareholders' attention is drawn to the fairness opinions set out in **Annexure 4**, whereby the Independent Expert concluded that the terms of the Transactions, other than the ECS Holdings Disposal, are fair, and that the terms of the ECS Holdings Disposal are not fair.
- 9.4 As mentioned in paragraph 9.1 the Board believes that all the Transactions are fair, individually and in aggregate. This assessment is largely supported by the independent fairness opinions on the individual transactions, except in the case of the ECS Holdings Disposal. The Board's valuation of ECS Holdings is based on the substantial uncertainty associated with achieving the forecast profitability, which will require substantial funding and management effort to achieve; funding and management effort that would be more prudently invested in the Group's core activities compared to turning around the disappointing historic performance of ECS Holdings.

10. THE SPECIFIC ISSUE

10.1 Background and rationale to the Specific Issue

- 10.1.1 The Company's remuneration committee proposed the issue of 7 672 602 Shares to TP Gregory, the Company's Chief Executive Officer, and 4 349 794 Shares to B Shanahan, the Company's financial director, as a performance bonus for the 2016 financial year, which was approved by the Board at a meeting held on 28 November 2016. The issue of Shares was accepted by B Shanahan and TP Gregory on 30 December 2016.
- 10.1.2 This provides the Company with an opportunity to manage cash flow resources, and provides for an appropriate mechanism to align Directors' interests with those of the Company.
- 10.1.3 *Pro Forma* financial effects of the Specific Issue are set out in paragraph 11.

10.2 Issue price

- 10.2.1 The Shares will be issued at 13.56386 cents, which is equal to the 30-day VWAP as at the date that the price was agreed, being 30 December 2016.
- 10.2.2 The Shares to be issued pursuant to the Specific Issue will be issued at the 30-day VWAP at the date of agreement, being 30 December 2016, which issue price is therefore not issued at a discount.

10.3 Issue to related parties

- 10.3.1 TP Gregory and B Shanahan are Directors and not members of the public as defined by the Listings Requirements and therefore the Specific Issue is to a related party of Ecsponent
- 10.3.2 Given that the Shares will be issued at the 30-day VWAP on the date that terms had been agreed, no fairness opinion is required by an independent expert on the Specific Issue, in line with the Listings Requirements.

10.4 Approvals required

- 10.4.1 This Specific Issue requires the approval of Shareholders by way of a special resolution in terms of section 41(1) of the Companies Act, requiring the approval of 75% of the Shareholders who are present in person or represented by proxy at the General Meeting and who are entitled to vote thereat.
- 10.4.2 The Specific Issue is to related parties (as defined by the Listings Requirements) and accordingly, in terms of Listings Requirements, requires the approval of Shareholders by way of an ordinary resolution, requiring 75% of the Shareholders who are present in person or represented by proxy at the General Meeting and who are entitled to vote thereat, excluding TP Gregory and B Shanahan and their associates. TP Gregory and B Shanahan will, however, be taken into account in determining the quorum for the General Meeting.
- 10.4.3 The issue of the Shares to Directors pursuant to the Specific Issue is further subject to the approval of the JSE at the time of listing of the Shares.

11. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS AND THE SPECIFIC ISSUE

- 11.1 The *pro forma* financial effects have been prepared to illustrate the impact of the Transactions and the Specific Issue on the reported reviewed consolidated interim financial results of Ecsponent for the six months ended 30 June 2016, had the Transactions and the Specific Issue occurred on 30 June 2016 for statement of financial position purposes, and on 1 January 2016 for statement of comprehensive income purposes.

11.2 Pro Forma financial effects

- 11.2.1 The *pro forma* financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the consolidated interim results of Ecsponent for the six months ended 30 June 2016.
- 11.2.2 The *pro forma* financial effects which are the responsibility of the Directors, are provided for illustrative purposes only and, because of their *pro forma* nature may not fairly present Ecsponent's financial position, changes in equity, results of operations or cash flow nor, the effect and impact of the Transactions and the Specific Issue going forward.
- 11.2.3 The full financial effects are included in **Annexure 2** and should be read in conjunction with the Reporting Accountants' report thereon, as set out in **Annexure 3**.
- 11.2.4 *Pro Forma* financial effects are set out below:

	Financial Results "Before" ⁽¹⁾	After post-balance sheet events ⁽²⁾	After the Specific Issue ⁽³⁾⁽⁴⁾	After the ECS Holdings Disposal ⁽³⁾⁽⁵⁾	After the EDF Disposal ⁽³⁾⁽⁶⁾	After the Clade Disposal ⁽³⁾⁽⁷⁾	After the EFS Zambia Subscription ⁽³⁾⁽⁸⁾	After the Sure Choice Disposal ⁽³⁾⁽⁹⁾	After the MyBucks Acquisition ⁽³⁾⁽¹⁰⁾	After the Transactions and the Specific Issue ⁽³⁾⁽¹¹⁾
EPS (cents)	2,226	2,193	1,953	5,141	9,755	2,382	2,285	3,505	1,518	14,670
HEPS (cents)	0,986	0,953	0,714	1,282	1,821	0,967	1,040	1,497	0,439	2,663
Fully diluted EPS (cents)	2,226	2,193	1,953	5,141	9,755	2,382	2,285	3,505	1,518	14,670
Fully diluted HEPS (cents)	0,986	0,953	0,714	1,282	1,821	0,967	1,040	1,497	0,439	2,663
NAV per share	5,085	4,456	4,349	7,152	11,120	4,771	4,603	5,358	6,561	17,033
TNAV per share (cents)	2,922	2,567	2,481	5,262	9,230	3,751	3,122	3,468	4,671	16,428
Fully diluted NAV per share (cents)	5,085	4,456	4,349	7,152	11,120	4,771	4,603	5,358	6,561	17,033
Fully diluted net TNAV per share (cents)	2,922	2,567	2,481	5,262	9,230	3,751	3,122	3,468	4,671	16,428
Weighted shares in issue (000's)	902 676	902 676	902 676	902 676	902 676	902 676	902 676	902 676	902 676	902 676
Fully diluted weighted shares in issue (000's)	930 531	1 065 424	1 077 447	1 065 424	1 065 424	1 065 424	1 065 424	1 065 424	1 065 424	1 077 447

Notes:

Shareholders are referred to the detailed notes contained in **Annexure 2**. High-level notes on the above financial effects are set out below:

- The "Before" column has been extracted from the unadjusted published reviewed consolidated interim financial results of the Company for the six months ended 30 June 2016.
- Illustrates the financial effects of the following post balance sheet events:
 - realisation of the common control reserve, following the loss of control by Capital over the Company;
 - issue of Shares to Directors in lieu of salaries, in terms of the approval obtained from Shareholders on 3 May 2016, and as detailed in the circular issued to Shareholders on 31 March 2016;
 - the acquisition of the remaining 26% shares in EDF, as detailed in paragraph 4.1.3 of this Circular; and
 - the proposed Rights Offer.
- The financial effects of the Transactions and the Specific Issue have been shown assuming that the Transactions and the Specific Issue occurred on 30 June 2016 for the statement of financial position and on 1 January 2016 for the statement of comprehensive income.
- Illustrates the financial effects of the Specific Issue, assuming that the Transactions are not implemented.
- Illustrates the financial effects of the ECS Holdings Disposal, assuming that the Specific Issue and the remaining Transactions are not implemented.
- Illustrates the financial effects of the EDF Disposal, assuming that the Specific Issue and the remaining Transactions are not implemented.
- Illustrates the financial effects of the Clade Disposal, assuming that the Specific Issue and the remaining Transactions are not implemented.
- Illustrates the financial effects of the EFS Zambia Subscription, assuming that the Specific Issue and the remaining Transactions are not implemented.
- Illustrates the financial effects of the Sure Choice Disposal, assuming that the Specific Issue and the remaining Transactions are not implemented.
- Illustrates the financial effects of the MyBucks Acquisition, assuming that the Specific Issue and the remaining Transactions are not implemented.
- Illustrates the financial effects of the Specific Issue and the Transactions, assuming both are implemented.
- Normal taxation has been calculated at the corporate rate of 28%, where appropriate.

12. SHARE CAPITAL OF ECSPONENT

12.1 The authorised and issued share capital of Ecsponent as at the Last Practicable Date, before and after the Rights Offer and the Specific Issue is set out below:

Authorised	R'000
Authorised Ordinary Shares	
1 000 000 000 Ordinary Shares of no par value	No par value
Authorised Preference Shares	
1 000 000 000 Class A Preference Shares	No par value
1 000 000 000 Class B Preference Shares	No par value
1 000 000 000 Class C Preference Shares	No par value
1 000 000 000 Class D Preference Shares	No par value
1 000 000 000 Class E Preference Shares	No par value
1 000 000 000 Class F Preference Shares	No par value
1 000 000 000 Class G Preference Shares	No par value
Issued share capital before the Rights Offer and Specific Issue	
931 769 996 Ordinary Shares of no par value	124 073
413 815 Class A Preference Shares	39 038
1 471 470 Class B Preference Shares	147 147
4 641 328 Class C Preference Shares	464 133
Issued after the Rights Offer and Specific Issue	
1 277 125 684 Ordinary Shares of no par value	175 704
413 815 Class A Preference Shares	39 038
1 471 470 Class B Preference Shares	147 147
4 641 328 Class C Preference Shares	464 133

12.2 The Transactions have no impact on the authorised and issued share capital of the Company. The Specific Issue has no impact on the authorised share capital, but results in an increase in the issued share capital of 12 022 396 Ordinary Shares.

12.3 No securities are held in treasury.

12.4 A summary of the alterations, issues and offers of securities by the Company during the preceding three years from the Last Practicable Date is set out in **Annexure 13**.

12.5 There have been no consolidations or sub-divisions of securities by the Company in the preceding three years.

12.6 No Ordinary Shares have any conversion rights. Preference Shares are convertible into Ordinary Shares on an Event of Default.

12.7 Voting rights, rights to dividends, profits, capital and redemption rights of securities, as well as consents required for a variation in the aforementioned rights, are set out in the Memorandum of Incorporation, which is incorporated by reference in terms of paragraph 37 below.

12.8 Authorised but unissued securities are under the control of the Directors. Directors have a general authority to issue Shares for cash, limited to 15% of the total Shares in issue as at the date of the last annual general meeting, subject to certain restrictions in line with the Listings Requirements. Directors have authority to issue all the authorised but unissued Preference Share capital, limited to the Preference Share Programme amount, being R5 billion for all classes of Preference Shares.

12.9 Both the Ordinary Shares and the issued Preference Shares are listed on the JSE. No Shares are listed on any other stock exchange.

12.10 Other than the any conversion of the Preference Shares, no person has any option or preference right of any kind to subscribe for any securities in the Company, or in any of its major subsidiaries, or to acquire securities in the Company or its major subsidiaries from any person to whom they were allotted, or agreed to be allotted.

13. MAJOR AND CONTROLLING SHAREHOLDERS

13.1 Shareholders who are directly or indirectly beneficially interested in more than 5% of the Ordinary Share capital of Ecspontent as at the Last Practicable Date, other than Directors, are set out below:

Shareholder name	% Total shareholding
Mason Alexander (Pty) Ltd	34.90
Capital (Beneficially held by the Holdem Legacy Trust) ¹	15.80
Vanguard Ltd	5.73
Total	62.54

¹The Holdem Legacy Trust is a family trust established for the benefit of Mr Engelbrecht's family, although Mr Engelbrecht is not a beneficiary of the trust.

13.2 Ecspontent currently has no controlling Shareholder.

13.3 Shareholders are referred to the Rights Offer circular dated 7 February 2016 in which it is noted that Mason Alexander has underwritten the Rights Offer up to a maximum subscription amount of R20 million. Accordingly, the above beneficial holdings may vary on conclusion of the Rights Offer.

13.4 Capital became the controlling Shareholder of Ecspontent during a rights offer undertaken by the Company in 2011. On 29 September 2016, Capital disposed of 34.90% of its interest in Ecspontent to Mason Alexander resulting in Capital no longer being the controlling Shareholder.

13.5 Other than as set out above, there have been no changes to the controlling Shareholders of the Company in the preceding five years. There will be no change in the controlling Shareholders as a result of the Transactions or the Specific Issue.

14. DIRECTORS' DETAILS

14.1 The Board currently comprises two executive Directors, three independent non-executive Directors and two non-executive Directors.

14.2 Full details relating to the directors are set out in the Revised Listing Particulars forming part of this Circular.

14.3 Details of directorships held by the Directors are set out in **Annexure 17**.

14.4 **None of the Directors have:**

14.4.1 been a director of a company that has been put into liquidation or been placed under business rescue proceedings or had an administrator or other executor appointed during the period when he was (or within the preceding 12 months had been) one of its directors, or alternate directors or equivalent position;

14.4.2 themselves or any company of which they were a director or an alternate director or officer at the time of the offence, been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;

14.4.3 been removed from an office of trust, on grounds of misconduct, involving dishonesty;

14.4.4 been disqualified by a court from acting as a director of a company or from acting in management or conduct of the affairs of any company;

14.4.5 been convicted of an offence resulting from dishonesty, fraud, theft, perjury, misrepresentation or embezzlement;

14.4.6 been adjudged bankrupt or sequestered in any jurisdiction;

14.4.7 been a party to a scheme of arrangement (other than pursuant to a merger or restructure) or made any other form of compromise with his creditors;

14.4.8 been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;

14.4.9 had any court grant an order declaring him to be a delinquent or placed such director under probation in terms of section 162 of the Companies Act and/or 47 of the Close Corporation Act, 1984 (Act No 69 of 1984) of South Africa;

14.4.10 been barred from entry into any profession or occupation;

14.4.11 been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;

- 14.4.12 received any official public criticisms by any statutory or regulatory authorities (including recognised professional bodies);
- 14.4.13 entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event; or
- 14.4.14 entered into receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event.

15. DIRECTORS' INTERESTS IN SECURITIES

- 15.1 At the Last Practicable Date, the Directors (and their associates) held, directly or indirectly, the beneficial interests indicated in the table below:

Shares held Name	Beneficially Held		Total Shares	Percentage
	Direct	Indirect		
E Engelbrecht*	1 239 192		1 239 192	0.13
TP Gregory	30 961 821		30 961 821	3.32
B Shanahan	272 303		272 303	0.03
DP van der Merwe#	14 500 000	5 500 000	20 000 000	2.15
RJ Connellan	2 495 080		2 495 080	0.27
K Rayner	3 349 366		3 349 366	0.36
B Topham		2 492 222	2 492 222	0.27
Total	52 817 762	7 992 222	60 809 984	6.53

*Mr E Engelbrecht holds a further 146 739 382 Shares in a non-beneficial capacity. Mr E Engelbrecht resigned as CEO effective 30 September 2016 and retained a seat on the Board as a non-executive Director.

#Resigned with effect from 1 December 2015.

- 15.2 There has been no change in the Directors' interests from the Last Practicable Date and the preceding financial year-end of the Company. Other than DP van der Merwe no Directors have resigned in the past 18 months.

16. DIRECTORS' INTERESTS IN TRANSACTIONS

- 16.1 E Englebrecht has an indirect non-beneficial interest in the MyBucks Acquisition and the Transactions, and the establishment of a convertible loan facility (see par 16.3 below for details), due to his relationship with the Holdem Legacy Trust which owns 100% of the share capital in Capital. E Englebrecht and his spouse are the only trustees of the Holdem Legacy Trust and have the discretion to nominate beneficiaries to the trust. No such beneficiaries have been nominated to date.
- 16.2 Ecsponent entered into an agreement with Capital for the provision of a convertible loan of up to R100 100 000 less the amount raised in terms of the rights offer concluded in 2014, including the underwritten portion of the said rights offer. To date, no portion of the facility has been utilised and currently the Board has no plans to draw-down on the facility.
- 16.3 The loan is convertible at 14 cents per Share (being the rights offer share price at the time) for a period of three years following Shareholders' approval, commencing from the closing date of the rights offer undertaken in 2014.
- 16.4 T Gregory has an interest in the EFS Zambia Subscription due to EFS Zambia issuing one share to T Gregory, representing 0.005% of the issued share capital of EFS Zambia.
- 16.5 Other than as disclosed above, no Directors (or Directors who have resigned in the past 18 months) of the Company, or directors of subsidiaries of the Company, have had any material beneficial interests, whether direct or indirect, in transactions including any acquisitions or disposals that were effected during the current or immediately preceding financial year. Further to this, they have had no material beneficial interests in a transaction during an earlier financial year that remain in any respect outstanding or unperformed.

17. DIRECTORS' SERVICE CONTRACTS

- 17.1 None of the Directors have a fixed-term service contract with the Company. Each executive Director has entered into an employment contract which incorporates the normal terms of an employment contract for an executive Director, including a notice period applicable to termination of employment.
- 17.2 Directors are nominated by the Board, through a nominations committee, and appointments of Directors are approved by Shareholders at the annual general meeting of the Company. No person has any additional right to appoint any Directors.

- 17.3 None of the Directors of the Company or any of its major subsidiaries are subject to restraints of trade.
- 17.4 Further information on qualifications, retirement, remuneration, and borrowing powers of Directors are set out in clause 26.3 28, and 31 of the MOI. Refer to paragraph 37 for documents incorporated by reference.
- 17.5 A monthly retainer of R25 000, excluding VAT, is payable for outsourced company secretarial services to the Company Secretary. The Company Secretary is not a Director of the Company.
- 17.6 There are no contracts entered into, or proposed to be entered into, by the Company or any of its major subsidiaries for technical fees.

18. DIRECTORS' REMUNERATION, BENEFITS AND FEES

- 18.1 There will be no variation in the remuneration of any of the Directors as a consequence of the Transactions. Other than the detail set out in paragraph 10 relating to the Specific Issue, there will be no further variation in the remuneration of any of the Directors as a consequence of the Specific Issue.
- 18.2 Directors' remuneration, benefits and fees are detailed in **Annexure 12**.
- 18.3 There are no fees paid or accrued to a third-party in lieu of Directors' fees. There are no external management agreements entered into with any third-party for the management of the business of the Company or any of its subsidiaries.

19. LITIGATION STATEMENT

- 19.1 There are no legal or arbitration proceedings, pending or threatened, of which Ecsponent 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.
- 19.2 Shareholders are referred to the MyBucks annual financial statements for the year ended 30 June 2016, which financial statements are incorporated into this Circular by reference in terms of paragraph 37. No litigation or contingent liabilities have been disclosed by MyBucks in its annual financial statements.

20. MATERIAL CONTRACTS

- 20.1 Other than the agreements relating to the Transactions and the original acquisition by EDF of its business from EIH, Ecsponent and its major subsidiaries have not entered into any material contracts otherwise than in the ordinary course of business in the preceding two years. The terms of the original acquisition by EDF of its business from EIH are contained in the circular to Shareholders dated 31 March 2016, which circular is incorporated into this Circular by reference in terms of paragraph 37.
- 20.2 The Group has not entered into any restrictive funding arrangements within the previous two years and has not entered into any contracts which contain an obligation or settlement that is material to the Group as at the Last Practicable Date.
- 20.3 The Group has not entered into any agreements whereby royalties, or items of a similar nature, are payable.

21. MATERIAL LOANS PAYABLE AND RECEIVABLE

- 21.1 There are no material loans made to the Company and its subsidiaries outside of the ordinary course of business. Shareholders are referred to the Ecsponent interim results for the period ended 30 June 2016 for information on the Company's borrowings, which interim results are incorporated into this Circular by reference in terms of paragraph 37.
- 21.2 Shareholders are further referred to **Annexure 1** which sets out the details of the loans that are subject to the Loan Consolidation, as described in paragraph 1.2.
- 21.3 There are no material loans made by the Company or its subsidiaries, other than in the ordinary course of business, Shareholders are referred to the note "Other Financial Assets" (page 12) and "Other Financial Liabilities" (page 13) of the Ecsponent interim results for the period ended 30 June 2016 for information on the Company's borrowings, and to note 6 (Other financial assets – page 62), note 9 (Loans to and from group companies – page 65) and note 16 (Other financial liabilities – page 79) of the annual report for the year ended 31 December 2016, which are incorporated into this Circular by reference in terms of paragraph 37.
- 21.4 Shareholders are referred to the MyBucks financial statements for the year ended 31 June 2016 for the material loans made to, and by MyBucks which are incorporated by reference per paragraph 37. Loan receivables are contained in notes 10 to 13 to the statement financial position of MyBucks (pages 119 to 122) and loan payables are contained in notes 22 to 23 to the statement financial position of MyBucks (pages 128 to 132).

22. **BORROWING POWERS**

- 22.1 Directors of the Company and its major subsidiaries have unlimited borrowing powers. The borrowing powers may be varied through an amendment of the MOI, through approval of a special resolution by Shareholder's present in person or represented by proxy. The Directors borrowing powers are contained in clause 31 of the MOI. Refer to paragraph 37 for documents incorporated by reference.
- 22.2 The Directors have not exceeded their borrowing powers in the previous three years.
- 22.3 There are no exchange control or other restrictions on the borrowing powers of the Directors.

23. **MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES**

- 23.1 The Company has no material commitments, lease payments or contingent liabilities as at the Last Practicable Date.

24. **WORKING CAPITAL STATEMENT**

The Directors have considered the provisions of section 4 and section 48 of the Companies Act and are satisfied that these have been complied with and that the working capital of the Group, after the MyBucks Acquisition, is sufficient for the Group's present requirements, specifically that:

- 24.1 the Company and the Group (after the Transactions) will be able in the ordinary course of business to pay its debts for a period of 12 months from the date of this Circular;
- 24.2 the assets of the Company and the Group (after the Transactions) will be in excess of the liabilities of the Company and Group for a period of 12 months from the date of this Circular, as recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Company and the Group, which are in compliance with the Companies Act;
- 24.3 the share capital and reserves of the Group (after the Transactions) will be adequate for ordinary business purposes for a period of 12 months from the date of this Circular; and
- 24.4 working capital of the Company and the Group (after the Transactions) will be adequate for ordinary business purposes for a period of 12 months from the date of this Circular.

25. **MATERIAL CHANGES**

- 25.1 The Company regularly issues Preference Shares to the public. Subsequent to the interim period ended 30 June 2016, the Company has issued and listed Preference Shares in excess of R258 million. The capital raised was deployed in the Group's income generating assets through business-to-business loans and enterprise finance.
- 25.2 Other than the additional Preference Shares issued and deployed to the income generating assets as mentioned above, there has been no material change in the financial or trading position of the Group since the interim period ended 30 June 2016.

26. **CORPORATE GOVERNANCE**

The Company's report on Corporate Governance is contained in **Annexure 14**.

27. **MATERIAL ACQUISITIONS**

- 27.1 Material assets acquired from Capital in the previous three years include 100% of the shares in Ecspont Financial Services, and the business of EIH (now being conducted by EDF), a subsidiary of Capital.
- 27.2 Material assets acquired from Escalator Capital, in the previous three years include the assets and liabilities of Sanceda and 100% of the shares in ECS Botswana.
- 27.3 Shareholders are referred to the related circular issued on 31 March 2016, which contained the material terms of the abovementioned acquisitions, which are incorporated by reference as per paragraph 37.
- 27.4 Other than the acquisitions noted in this paragraph, no other material assets were acquired by Ecspont or its subsidiaries in the preceding three years.

28. INTERESTS OF DIRECTORS AND PROMOTERS

28.1 The Group has not entered into any promoters' agreements during the three years preceding the Last Practicable Date. Accordingly, no amount has been paid, or is accrued as payable, within the preceding three years, or proposed to be paid to any promoter or to any partnership, syndicate or other association of which such promoter is or was a member and no other benefit has been given or is proposed to be given to any promoter, partnership, syndicate or other association within the said period.

28.2 No consideration, has been paid, or agreed to be paid to:

28.2.1 any Director or related party;

28.2.2 another company in which a Director has a beneficial interest or of which such Director is also a director; or

28.2.3 any partnership, syndicate or other association of which the Director is a member

to induce the Director to become a director, to qualify as a Director or for services rendered by the Director or by a company, partnership, syndicate or other association, in connection with the promotion or formation of the Company.

29. COMMISSIONS PAID OR PAYABLE

29.1 No commissions, discounts, brokerages or other special terms have been granted during the preceding three years up to the Last Practicable Date in connection with the issue or sale of any securities, other than as disclosed in the audited annual financial statements.

29.2 No amount has been paid, or accrued as payable, to any person in the preceding three years up to the Last Practicable Date as commission for subscribing, or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities (including preference shares) in the Company.

30. PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED

30.1 Details of the principal immovable properties owned or leased by the Company are set out below:

Name of Group company	Location	Date of lease commencement	Date of lease termination	Monthly rental amount	Lease term
Sanceda Swaziland Proprietary Limited	Shop No. 1.17/1.18 Riverstone Mall, Manzini, Swaziland	1-Feb-16	31-Jan-19	E 20 928	3 years
Ecsponent Holdings Proprietary Limited Botswana	Exponential Building, 6th Floor, Plot 54351, New CBD, Gaborone, Botswana	1-May-16	30-Apr-18	P63 400	2 years
Ecsponent Ltd Swaziland	7 The Gables, Ezulwini, Swaziland	1-Mar-15	28-Feb-17	E8 667	2 years
Ecsponent Financial Services Ltd Zambia	Pangaea Office Park, Off Great East Road, Lusaka, Zambia	1-Oct-15	30-Sep-18	USD7 011	3 years
Sure Choice Proprietary Limited	5 Mtante Mews, Plot 53473, CBD, Gaborone, Botswana	1-Sep-13	30-Aug-16	P14 320	3 years
Ecsponent Management Services Ltd	Celtis House, Eastwood Office Park, Lynnwood Road, Pretoria	1-Nov-16	30-Sep-17	R88 000	11 months

30.2 There have been no material acquisitions or disposals of immovable properties, or securities in companies in the nature of immovable properties, by the Group in the preceding three years from the Last Practicable Date.

31. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions and balances for the Group have been disclosed in the financial results for the interim period ended 30 June 2016, as released on SENS on 27 September 2016. Refer to paragraph 37 for all documents incorporated by reference.

32. EXPERTS' CONSENTS

The Sponsor and Corporate Advisor, Independent Expert, Reporting Accountants and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced, and have not, prior to the Last Practicable Date, withdrawn their consents prior to publication of this Circular.

33. GOVERNMENT PROTECTION

The Group does not enjoy any government protection or investor encouragement.

34. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in the "Corporate information" section of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given 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 the Circular contains all information required by the Listings Requirements.

35. SHARE TRADING HISTORY

The relevant share trading history of Ecsponent on the JSE up to the Last Practicable Date is set out in **Annexure 15**.

36. ESTIMATED EXPENSES

The total estimated preliminary and issue expenses (excluding VAT) relating to the Transactions and the Specific Issue set out in this Circular are detailed in the table below:

Nature of expense	Paid/payable to	R
Circular fee	JSE	194 939
Listing fee	JSE	6 483
Sponsor and Corporate Advisor	Questco	530 000
Independent Expert	Merchantec	265 000
Independent Reporting Accountants on this Circular	Nexia SAB&T	100 000
Transfer Secretaries	Computershare	163 888
Other (printing, postage, other miscellaneous costs and contingencies)		240 000
Total		1 500 310

37. INCORPORATION BY REFERENCE

The table below contains information and documents that are incorporated into this Circular by reference. Such information is available on the Company's website (by following the links provided below) and where applicable, on the website of MyBucks. Certain documents, as set out in paragraph 38, are available for inspection at the registered offices of the Company and the Sponsor and Corporate Advisor at no charge for a period from the posting of this circular, up to the date of the General Meeting.

Name of document

Reviewed Consolidated Interim Financial Results for the period ended 30 June 2016	http://www.ecsponentlimited.com/financial-reports/interim-2016/
Annual Integrated Report for the Group for the years ended 31 December 2013 to 31 December 2015	http://www.ecsponentlimited.com/wp-content/uploads/2016/03/2015-Ecsponent-Limited-Integrated-Annual-Report.pdf
Circular to Shareholders dated 31 October 2016	http://ecsponentlimited.com/wp-content/uploads/2016/10/31-October-2016-Ecsponent-Limited-Circular.pdf
Circular to Shareholders dated 31 March 2016	http://www.ecsponentlimited.com/wp-content/uploads/2016/03/Ecsponent-Limited-March-2016-Circular.pdf

Memorandum of Incorporation of the Company	http://www.ecsponentlimited.com/wp-content/uploads/2017/02/2016_Ecsponent-Memorandum-of-Incorporation.pdf
King III Corporate Governance Register	https://www.theglobalplatform.co.za/gai/Reports/Public/ApplicationRegisterPractice.aspx?L=ba16f740-2d92-4241-b2d2-c631428074cb
MyBucks financial statements for the year ended 30 June 2016	https://www.mybucks.com/documents/corporate/MyBucks%20Annual%20Report%202016.pdf
MyBucks prospectus	https://www.bourse.lu/instrument/listdocuments?cdVal=237348&cdTypeVal=OBL
Report on historic financial information for ECS Holdings for the years ended 31 December 2014, 31 December 2015 and 31 December 2016	http://www.ecsponentlimited.com/wp-content/uploads/2017/02/ECS-Holdings-Report-on-Historical-Financial-Information.pdf
Report on historic financial information for Sanceda Botswana for the interim period ended 30 June 2016	http://www.ecsponentlimited.com/wp-content/uploads/2017/02/Sanceda-Botswana-Report-on-Historical-Financial-Information.pdf
Report on carve-out historic financial information for the Business in EDF for the interim period ended 30 June 2016, and the years ended 31 December 2014 and 31 December 2015	http://www.ecsponentlimited.com/wp-content/uploads/2017/02/EDF-Business-Report-on-Historical-Financial-Information.pdf
Report on historic financial information for Clade for the years ended 31 December 2014, 31 December 2015 and 31 December 2016	http://www.ecsponentlimited.com/wp-content/uploads/2017/02/Clade-Report-on-Historical-Financial-Information.pdf
Report on historic financial information for EFS Zambia for the years ended 31 December 2014, 31 December 2015 and 31 December 2016	http://www.ecsponentlimited.com/wp-content/uploads/2017/02/EFS-Zambia-Report-on-Historical-Financial-Information.pdf
Report on historic financial information for Sure Choice for the years ended 31 December 2014, 31 December 2015 and 31 December 2016	http://www.ecsponentlimited.com/wp-content/uploads/2017/02/SureChoice-Report-on-Historical-Financial-Information.pdf

38. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of the Company and at the office of the Sponsor and Corporate Advisor, which addresses are set out in the “Corporate information” section of the Circular, during normal business hours from the date of this Circular until the date of the General Meeting:

- 38.1 the current and amended MOI of the Company, its major subsidiaries and MyBucks;
- 38.2 the agreements relating to the Clade Disposal, the ECS Holdings Disposal, the EDF Disposal, EFS Zambia Subscription, the Sure Choice Disposal and the MyBucks Acquisition;
- 38.3 copies of Directors’ service agreements and the service agreement with the Company Secretary;
- 38.4 the signed independent reporting accountants’ reasonable assurance report on the compilation of *pro forma* financial information, the text of which is included as **Annexure 3** to this Circular;
- 38.5 the signed fairness opinions on the terms of the Disposals and the MyBucks Acquisition, the text of which is included as **Annexure 4** to this Circular;
- 38.6 the signed independent reporting accountants’ reports on the historic financial information of ECS Holdings, the text of which is included as **Annexure 5** to this Circular;
- 38.7 the signed independent reporting accountants’ reports on the historic financial information of Sanceda Botswana, the text of which is included as **Annexure 6** to this Circular;
- 38.8 the signed independent reporting accountants’ reports on the carve-out historic financial information of the Business in EDF, the text of which is included as **Annexure 7** to this Circular;
- 38.9 the signed independent reporting accountants’ reports on the historic financial information of Clade, the text of which is included as **Annexure 8** to this Circular;

- 38.10 the signed independent reporting accountants' reports on the historic financial information of EFS Zambia, the text of which is included as **Annexure 9** to this Circular;
- 38.11 the signed independent reporting accountants' reports on the historic financial information of Sure Choice, the text of which is included as **Annexure 10** to this Circular;
- 38.12 the written consent letters referred to in paragraph 32 above;
- 38.13 the audited annual financial results of Ecsponent for the years ended 31 December 2013, 31 December 2014 and 31 December 2015, as well as the interim financial results for period ended 30 June 2016; and
- 38.14 a signed copy of this Circular.

39. **GENERAL MEETING**

- 39.1 A General Meeting of Ecsponent Shareholders will be held at 10:30 on Thursday, 30 March 2017, at the registered office of Ecsponent, in order to consider and approve the resolutions set out in the notice of General Meeting included in this Circular.
- 39.2 A notice convening the General Meeting and a Form of Proxy for use by certificated Shareholders and dematerialised Shareholders with "own-name" registration who are unable to attend the General Meeting, form part of this Circular.
- 39.3 Certificated Shareholders and dematerialised Shareholders with "own-name" registration, who are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached Form of Proxy in accordance with the instructions contained therein.
- 39.4 Dematerialised Shareholders, other than dematerialised Shareholders with "own-name" registration, who:
 - 39.4.1 are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
 - 39.4.2 wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary written letter of representation to attend.

SIGNED BY TP GREGORY IN PRETORIA FOR, AND ON BEHALF OF, ALL OTHER DIRECTORS OF THE COMPANY, IN TERMS OF THE POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS

TP Gregory
Chief Executive Officer

1 March 2017

BORROWINGS AND RECEIVABLES AFFECTED BY THE LOAN CONSOLIDATION

Loans owing to and from the various parties to the Implementation Agreement are detailed below:

	Balance at 30 June 2016						
Loan owing to	Loan owing from	due to/(from) the Group	Repayment terms	Interest rate	Security provided	Purpose of loan	
EIH (Capital Group)	EDF	(R118 957 242)	Payment schedule (refer to circular)	12.5% per annum	Debtors book	Deferred purchase consideration from the original acquisition of the business being conducted by EDF from EIH, as set out in the circular to Shareholders dated 31 March 2016	
Ecsponent CS	Ecsponent Business Finance Proprietary Limited (Capital Group) ("EBF")	R7 725 855	Payable after 12 months commencing 31 May 2016	12% per annum	Collection book	Deferred purchase price for sale of collection book from Ecsponent CS to EBF as announced by the Company on 1 December 2015.	
Ecsponent Management Services	EIH (Capital Group)	R114 282 127	Payable on demand	3% per month	Secured through debtors' book	SME loan to EIH	
Ecsponent Management Services	Capital (Capital Group)	R247 082 466	Payable on demand. (refer to note 1 below)	28% per annum	Secured by investments and assets owned by Capital.	SME loan to Capital	
Net before Loan Consolidation		R250 133 206					
Effect of the Transactions on the Loan Accounts pursuant to Loan Consolidation							
Ecsponent (Ecsponent Group)	Projects (Capital Group)	R45 353 280				Consideration due pursuant to the ECS Holdings Disposal	
EDF (Ecsponent Group)	EIH (Capital Group)	R120 150 000				Consideration due from the EDF Disposal	

		Balance at 30 June 2016 due to/(from) the Group		Repayment terms	Interest rate	Security provided	Purpose of loan
Loan owing to	Loan owing from						
ECS Botswana (Ecsponent Group)	Capital	R15 500 000					Consideration due from the Clade Disposal
Projects (Capital Group)	ECS Botswana (Ecsponent Group)	R(262 570 000)					Consideration payable from the MyBucks Acquisition
Loan Account pursuant to Loan Consolidation							
ETS	Capital	R168 566 486		Repayable over 60 months, with R3.5 million per month for the first nine months from April 2017, and the balance over 51 equal instalments thereafter.	28%		Loan Account pursuant to the Loan Consolidation

¹ The loan between Capital and the Ecsponent Group is convertible into Ordinary Shares at a price of 14 cents per Share in the event that the loan is a receivable in favour of Capital. Given that Capital is in a payable position, the loan is not currently capable of conversion. Following the Loan Consolidation, the Loan Account will not have any conversion rights.

PRO FORMA FINANCIAL INFORMATION OF THE TRANSACTIONS AND THE SPECIFIC ISSUE

The *pro forma* financial information is the responsibility of the Directors of the Company and is provided for illustrative purposes only and, because of their *pro forma* nature, may not fairly present Ecsponent's financial position, changes in equity, results of operations or cash flow, nor the effect and impact of the Transactions and the Specific Issue going forward.

The *pro forma* financial information has been prepared to illustrate the impact of the Transactions and the Specific Issue on the reviewed consolidated interim results of Ecsponent for the six months ended 30 June 2016, had the Transactions and the Specific Issue occurred on 30 June 2016 for Statement of Financial Position purposes, and had the Transactions and the Specific Issue occurred on 1 January 2016 for the purposes of the Statement of Comprehensive Income.

PRO FORMA STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2016

R'000	1	2	3	4	5	6	7	8	9	10
Notes	Ecsponent	Realisation of common control reserve	Issue of Shares to Directors in lieu of salary	Rights Offer	Acquisition of 26% of EDF	SOPF after post balance sheet events	Specific Issue	SOPF after the Specific Issue	ECS Holdings Disposal	SOPF after the ECS Holdings Disposal
ASSETS										
Non-current assets	124 142	-	-	-	-	124 142	-	124 142	44 937	169 079
Property, plant and equipment	10 567	-	-	-	-	10 567	-	10 567	(0)	10 567
Intangible assets (including Goodwill)	20 131	-	-	-	-	20 131	-	20 131	-	20 131
Deferred taxation	18 150	-	-	-	-	18 150	-	18 150	(416)	17 734
Investment in associate	-	-	-	-	-	-	-	-	-	-
Other financial assets	70 980	-	-	-	-	70 980	-	70 980	45 353	116 333
Other non-current receivables	4 314	-	-	-	-	4 314	-	4 314	-	4 314
Current assets	652 925	-	(8)	19 349	-	672 266	(238)	672 028	(13 376)	658 891
Inventories	2 045	-	-	-	-	2 045	-	2 045	-	2 045
Trade and other receivables	100 489	-	-	-	-	100 489	-	100 489	(10 447)	90 042
Other financial assets	509 455	-	-	-	-	509 455	-	509 455	-	509 455
Loans to Group companies	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	40 936	-	(8)	19 349	-	60 277	(238)	60 039	(2 929)	57 349
Total assets	777 067	-	(8)	19 349	-	796 408	(238)	796 170	31 562	827 970

R'000	1	2	3	4	5	6	7	8	9	10
Notes	Ecsponent	Realisation of common control reserve	Issue of Shares to Directors in lieu of salary	Rights Offer	Acquisition of 26% of EDF	SOPF after post balance sheet events	Specific Issue	SOPF after the Specific Issue	ECS Holdings Disposal	SOPF after the ECS Holdings Disposal
EQUITY AND LIABILITIES										
Capital and reserves	20 753	-	(62)	19 429	-	40 121	(616)	39 505	28 718	68 838
Share capital and premium	123 941	-	236	19 429	-	143 606	1 544	145 150	(0)	143 606
Reserve	(421)	-	-	-	-	(421)	-	(421)	-	(421)
Common control reserve	(93 512)	93 512	-	-	-	-	-	-	-	-
Retained earnings	17 314	(93 512)	(298)	-	(19 211)	(95 707)	(2 160)	(97 867)	28 718	(66 989)
Non-controlling interest	(26 569)	-	-	-	19 211	(7 358)	-	(7 358)	0	(7 358)
Non-current liabilities	533 069	-	-	-	-	533 069	-	533 069	3 307	536 376
Other financial liabilities	517 441	-	-	-	-	517 441	-	517 441	(2 668)	514 773
Deferred revenue	11 396	-	-	-	-	11 396	-	11 396	-	11 396
Deferred taxation	4 232	-	-	-	-	4 232	-	4 232	5 975	10 207
Current liabilities	223 245	-	54	(80)	-	223 219	378	223 597	(463)	222 756
Other financial liabilities	173 559	-	-	-	-	173 559	-	173 559	-	173 559
Current tax payable	15 358	-	(116)	-	-	15 242	(840)	14 402	(53)	15 190
Loans from Group companies	-	-	-	-	-	-	-	-	(0)	(0)
Trade and other payables	30 790	-	169	(80)	-	30 880	1 218	32 097	(410)	30 470
Revenue received in advance	3 513	-	-	-	-	3 513	-	3 513	-	3 513
Bank overdraft	25	-	-	-	-	25	-	25	-	25
Total equity and liabilities	777 067	-	(8)	19 349	-	796 408	(238)	796 170	31 562	827 970
Number of Shares in issue	930 531					1 065 424		1 077 447		1 065 424
NAV per Share (cents)	5.09					4.46		4.35		7.27
Tangible NAV per Share (cents)	2.92					2.57		2.48		5.38
Fully diluted NAV per Share (cents)	5.09					4.46		4.35		7.27
Fully diluted tangible NAV per Share (cents)	2.92					2.57		2.48		5.38

	11	12	13	14	15	16	17	18	19	20	21
	EDF Disposal R'000	SOPF after the EDF Disposal R'000	Clade Disposal R'000	SOPF after the Clade Disposal R'000	EFS Zambia Subscription R'000	SOPF after the EFS Zambia Subscription R'000	Sure Choice Disposal R'000	SOPF after the Sure Choice Disposal R'000	MyBucks Acquisition R'000	SOPF after the MyBucks Acquisition R'000	SOPF after the combined pro forma effects of the Transactions R'000
Notes											
ASSETS											
Non-current assets	(5 372)	118 770	2 835	126 977	(10 920)	113 222	(16 074)	108 068	291 490	415 632	431 038
Property, plant and equipment	(369)	10 198	(9)	10 558	(1 628)	8 939	(509)	10 058	-	10 567	8 052
Intangible assets (including Goodwill)	-	20 131	(9 255)	10 876	(4 352)	15 779	-	20 131	-	20 131	6 524
Deferred taxation	(12)	18 138	(3 401)	14 749	(1 583)	16 567	(2 148)	16 002	-	18 150	10 590
Investment in associate	-	-	-	-	2 846	2 846	-	-	-	-	2 846
Other financial assets	(4 991)	65 989	15 500	86 480	(6 203)	64 777	(13 417)	57 563	291 490	362 470	398 713
Other non-current receivables	-	4 314	-	4 314	-	4 314	-	4 314	-	4 314	4 314
Current assets	(42 928)	629 338	(13 289)	658 978	10 854	683 120	(22 025)	650 242	(262 785)	409 482	328 718
Inventories	-	2 045	-	2 045	-	2 045	-	2 045	-	2 045	2 045
Trade and other receivables	(42 714)	57 775	(1 621)	98 868	(307)	100 182	(6 656)	93 833	-	100 489	38 744
Other financial assets	-	509 455	-	509 455	11 465	520 920	1 790	511 245	(262 570)	246 885	260 139
Loans to group companies	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	(215)	60 063	(11 668)	48 610	(304)	59 974	(17 158)	43 119	(215)	60 063	27 790
Total assets	(48 300)	748 108	(10 454)	785 955	(67)	796 342	(38 099)	758 310	28 705	825 114	759 756
EQUITY AND LIABILITIES											
Capital and reserves	70 995	111 116	1 680	41 801	1 567	41 687	11 539	51 659	22 422	62 543	177 041
Share capital & premium Reserve	-	143 606	-	143 606	-	143 606	-	143 606	-	143 606	143 606
Common control reserve	-	(421)	-	(421)	-	(421)	-	(421)	-	(421)	(421)
Retained earnings	70 995	(24 711)	3 356	(92 350)	1 567	(94 140)	9 604	(86 103)	22 422	(73 285)	40 956
Non-controlling interest	-	(7 358)	(1 676)	(9 034)	-	(7 358)	1 934	(5 423)	-	(7 358)	(7 100)
Non-current liabilities	-	533 069	-	533 069	497	533 566	(16 217)	516 852	6 362	539 431	527 018
Other financial liabilities	-	517 441	-	517 441	-	517 441	(8 200)	509 241	-	517 441	506 573

	11	12	13	14	15	16	17	18	19	20	21
	EDF Disposal R'000	SOPF after the EDF Disposal R'000	Clade Disposal R'000	SOPF after the Clade Disposal R'000	EFS Zambia Subscription R'000	SOPF after the EFS Zambia Subscription R'000	Sure Choice Disposal R'000	SOPF after the Sure Choice Disposal R'000	MyBucks Acquisition R'000	SOPF after the MyBucks Acquisition R'000	SOPF after the combined pro forma effects of the Transactions R'000
Notes	11	12	13	14	15	16	17	18	19	20	21
Deferred revenue	-	11 396	-	11 396	-	11 396	(9 778)	1 618	-	11 396	1 618
Deferred taxation	-	4 232	-	4 232	497	4 729	1 761	5 993	6 362	10 594	18 827
Current liabilities	(119 295)	103 923	(12 134)	211 085	(2 131)	221 088	(33 420)	189 799	(79)	223 140	56 697
Other financial liabilities	(118 957)	54 602	(12 535)	161 024	(761)	172 798	(29 011)	144 548	-	173 559	12 295
Current tax payable	46	15 288	955	16 198	(53)	15 190	(394)	14 848	(53)	15 190	15 691
Loans from Group companies	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	(384)	30 496	(552)	30 327	(1 317)	29 563	(591)	30 288	(26)	30 853	27 599
Revenue received in advance	-	3 513	-	3 513	-	3 513	(3 424)	89	-	3 513	89
Bank overdraft	-	25	(2)	23	-	25	-	25	-	25	23
Total equity and liabilities	(48 300)	748 108	(10 454)	785 955	(67)	796 342	(38 099)	758 310	28 705	825 114	759 756
Number of Shares in issue		1 065 424		1 065 424		1 065 424		1 065 424		1 065 424	1 065 424
NAV per Share (cents)		11.51		4.77		4.61		5.35		6.56	17.28
Tangible NAV per Share (cents)		9.62		3.75		3.12		3.46		4.67	16.67
Fully diluted NAV per Share (cents)		11.51		4.77		4.61		5.35		6.56	17.28
Fully diluted tangible NAV per Share (cents)		9.62		3.75		3.12		3.46		4.67	16.67

Notes

1. Represents the unadjusted published reviewed consolidated interim financial results of Ecsponnet for the period ended 30 June 2016.
2. Represents the realisation of the common control reserve balance, as per the reviewed interim results for the Group at 30 June 2016, to retained earnings. The common control reserve arose from transactions undertaken between the Group and Capital, when the Group was under the control of Capital, as per the common control policy of the Group, as disclosed in the annual report of Ecsponnet.
3. Following the loss of control as a result of the sale of 34.90% by Capital, the common control reserve has been realised to retained earnings, as per the Group's policy.
 - i. Issue of Shares to Directors in lieu of salaries pursuant to the approval obtained from Shareholders on 3 May 2016. A total employee cost of R413 322 is recognised as an employee share based payment in terms of IFRS2, consisting of:
 - i. PAYE of R169 462, recognised as an employee related provision;
 - ii. the issue of Shares to Directors to the value of R243 860; and
 - iii. listing fees and transaction costs of R7 800, capitalised to share capital;

- A saving in tax expense of R115 730 is recognised as a result of the tax deductibility of the employee cost, resulting in a net movement in retained earnings of R297 592 (being the total cost of R413 322 less the tax benefit of R115 730).
4. Represents the effects of the Rights Offer to be undertaken in the first quarter of 2017, at 15 cents per Share, for a maximum amount of R50 million, partially underwritten to the extent of R20m ("the Rights Offer"). A cash outflow of R650 763 is recognised for transaction costs relating to the Rights Offer, of which R570 845 has been written off to share capital, and R79 918 has been recognised as a VAT receivable (being 14% of the transaction costs).
 5. Represents the acquisition of the remaining 26% shareholding in EDF from Topaz for a purchase consideration of R1. EDF is accounted for as a subsidiary on 30 June 2016 and therefore already consolidated into the reviewed interim results of the Group at 30 June 2016. The acquisition results in a realisation of the non-controlling interest and related reserves to retained earnings. The balance of the non-controlling interest and related reserves are based on the balances per the reviewed interim results for the Group at 30 June 2016.
 6. Represents the *pro forma* consolidated interim financial results of Ecsponnet for the period 30 June 2016 after the adjustment for material post balance sheet events (see notes 2 to 5 above).
 7. Represents the effects of the Specific Issue, as detailed in paragraph 10 of the Circular, as follows:
 - 7.1 a total employee cost of R3 000 000 is recognised as an employee share based payment in terms of IFRS2. A tax saving of R840 000, resulting in a total retained earnings charge of R2 160 000.
 - 7.2 The total employee cost is settled through:
 - 7.2.1 the issue of 12 022 396 Shares to Bryan Shanahan and Terence Gregory collectively, at a price of 13,56386 cents per Share, resulting in a total issue price of R1 630 701. Transaction costs of R87 031 (excluding VAT) are written off against share capital, resulting in a total Share capital movement of R1 543 670 (being R1 630 701 less R87 031);
 - 7.2.2 a cash payment of R139 020 as part settlement of the bonus to TP Gregory not settled through the issue of Shares; and
 - 7.2.3 payment of PAYE, equal to R1 230 000, which is recognised as an employee related provision.
 - 7.3 A VAT receivable of R12 184 is recognised for the input VAT on the transaction costs.
 - 7.4 A total cash outflow of R238 514 is recognised, consisting of R99 215 transaction costs (including VAT) and the portion of the bonus paid in cash equal to R139 299.
 8. Represents the *pro forma* consolidated interim financial results of Ecsponnet for the period ended 30 June 2016 after the adjustment for material post balance sheet events (see notes 2 to 5 above) and the Specific Issue.
 9. Represents the financial effects of the ECS Holdings Disposal for a total consideration amounting to R42 840 000 (R34 000 000 at an exchange rate of ZAR1.26:P1 at the Last Practicable Date). Shareholders are referred to **Annexure 2A** for the detailed workings and notes on the *pro forma* financial effects of the ECS Holdings Disposal.
 10. Represents the *pro forma* SOFP after the material post balance sheet events and after the ECS Holdings Disposal, assuming that none of the other Transactions or the Specific Issue are implemented.
 11. Represents the financial effects of the disposal by EDF of the Business for a deferred consideration of R120 150 000. Shareholders are referred to **Annexure 2B** for the detailed workings and notes on the *pro forma* financial effects of the EDF Disposal.
 12. Represents the *pro forma* SOFP after the material post balance sheet events and after the EDF Disposal, assuming that none of the other Transactions or the Specific Issue are implemented.
 13. Represents the financial effects of the Clade Disposal. Shareholders are referred to **Annexure 2C** for the detailed workings and notes on the *pro forma* financial effects of the Clade Disposal.
 14. Represents the *pro forma* SOFP after the material post balance sheet events and after the Clade Disposal, assuming that none of the other Transactions or the Specific Issue are implemented.
 15. Represents the financial effects of the EFS Zambia Subscription. Shareholders are referred to **Annexure 2D** for the detailed workings and notes on the *pro forma* financial effects of the EFS Zambia Subscription.
 16. Represents the *pro forma* SOFP after the material post balance sheet events and after the EFS Zambia Subscription, assuming that none of the other Transactions or the Specific Issue are implemented.
 17. Represents the financial effects of the Sure Choice Disposal. Shareholders are referred to **Annexure 2E** for the detailed workings and notes on the *pro forma* financial effects of the Sure Choice Disposal.
 18. Represents the *pro forma* SOFP after the material post balance sheet events and after the Sure Choice Disposal, assuming that none of the other Transactions or the Specific Issue are implemented.
 19. Represents the financial effects of the MyBucks Acquisition, which has an ongoing effect on the Group. The MyBucks Acquisition is accounted for as follows:
 - The investment is classified as a level 1 investment at fair value through profit and loss;
 - The investment is recognised at R291 490 089, which is based on the quoted share price for MyBucks on 30 June 2016 of €15.90, converted into Rand at an exchange rate of R16.67 (being the exchange rate on 30 June 2016). This results in a day 1 gain/loss of R28 920 089.
 - The purchase consideration of R262 570 000 due is off-set against the Loan Account, effectively reducing the Loan Account balance due to the Group.
- Transaction costs of R214 591 (including VAT) are recognised for the MyBucks Acquisition, resulting in a tax saving of R52 707 and a VAT receivable for input VAT of R26 353.
- The total movement in retained earnings relates to:
- | | |
|---|--------------------|
| Fair value gain | R7 333 084 |
| Currency gain | R21 587 005 |
| Tax on above gains at a tax rate of 22% | (R6 362 420) |
| Transaction cost | (R188 238) |
| Tax saving on above at 28% | R52 707 |
| Total | R22 422 138 |
20. Represents the *pro forma* SOFP after the material post balance sheet events and after the MyBucks Acquisition, assuming that none of the other Transactions or the Specific Issue are implemented.
 21. Represents the *pro forma* SOFP after the material post balance sheet events and after the combined financial effects of the Transactions, assuming all the Transactions are implemented.
 22. Normal taxation has been calculated at the corporate rate of 28%, where appropriate.

PRO FORMA STATEMENT OF FINANCIAL POSITION EFFECTS OF THE ECS HOLDINGS DISPOSAL

R'000	Deconsolidation of unadjusted assets and liabilities of ECS Holdings	Asset and liabilities of Sanceda Botswana retained	Pro Forma effects of the ECS Holdings Disposal	Pro Forma effects of the ECS Holdings Disposal
Notes	1	2	3	3
ASSETS				
Non-current assets	(872)	456	45 353	44 937
Property, plant and equipment	(25)	25	–	(0)
Deferred taxation	(847)	431	–	(416)
Other financial assets	–	–	45 353	45 353
Current assets	(40 104)	26 943	(215)	(13 376)
Trade and other receivables	(166)	(10 281)	–	(10 447)
Other financial assets	–	–	–	–
Loans to group companies	(37 223)	37 223	–	–
Cash and cash equivalents	(2 715)	1	(215)	(2 929)
Total assets	(40 976)	27 399	45 139	31 562
EQUITY AND LIABILITIES				
Capital and reserves	3 006	(1 525)	27 236	28 718
Share capital & premium	(1)	–	1	–
Reserve	10	–	(10)	–
Retained earnings	1 782	(1 070)	28 005	28 718
Non-controlling interest	1 216	(455)	(760)	–
Non-current liabilities	(2 669)	–	5 976	5 976
Other financial liabilities	(2 668)	–	–	(2 668)
Deferred taxation	(1)	–	5 976	5 976
Current liabilities	(41 314)	28 924	11 927	(463)
Current tax payable	–	–	(53)	(53)
Loans from group companies	(40 654)	28 647	12 007	–
Trade and other payables	(661)	277	(26)	(410)
Total equity and liabilities	(40 976)	27 398	45 139	31 562

- ECS Holdings and its subsidiaries is accounted for in the interim results as a subsidiary and therefore the assets, liabilities and reserves of ECS Holdings were consolidated into the Group results at 30 June 2016. The column therefore removes the unadjusted consolidated assets, liabilities and reserves of ECS Holdings, as per the unadjusted reviewed carve-out assets and liabilities for ECS Holdings (see paragraph 37 for incorporation by reference), after its conversion into Rand at an exchange rate of 1.33392.
- Represents a portion of the assets and liabilities of Sanceda Botswana that are currently housed in ECS Holdings and not subject to the ECS Holdings Disposal, and therefore added back to the Group results following the deconsolidation of 100% of the assets and liabilities in ECS Holdings (including Sanceda Botswana). The assets and liabilities of Sanceda Botswana are based on the reviewed interim results of Sanceda Botswana at 30 June 2016 (see paragraph 37 for incorporation by reference), after an adjustment for the disposal of the collections book to Ecspontent Business Finance, as detailed in the SENS announcement to shareholders dated 1 December 2015.
- Represents the following adjustments:
 - recognition of the total deferred consideration amounting to R42 840 000 (P34 000 000 at an exchange rate of ZAR1.26:P1 at the Last Practicable Date);
 - transaction costs of R214 591 (including VAT) is recognised for the ECS Holdings Disposal, resulting in a tax saving of R52 707 (decrease to tax payable) and a VAT receivable for input VAT of R26 353 (decrease in accounts payable);
 - elimination of Share capital, amounting to R1 334, and reserves, amounting to R10 174, following the deconsolidation of unadjusted assets, liabilities and reserves;

- (iv) a movement in retained earnings relating to the profit on ECS Holdings Disposal (after tax) of R28 848 867, less realisation of the "since-acquisition reserves of R709 434, less after tax impact of transaction cost of R135 531;
 - (v) elimination of group non-controlling interest related to ECS Holdings amounting to R760 390, with the balances as per the reviewed interim results at 30 June 2016;
 - (vi) a reversal of the deferred tax balance relating to the investment in ECS Holdings, amounting to R5 975 561; and
 - (vii) a total net loan account settled through the sale proceeds equal to R12 007 517.
4. Represents the combined *pro forma* financial effects of the ECS Holdings Disposal.

PRO FORMA STATEMENT OF FINANCIAL POSITION EFFECTS OF THE EDF DISPOSAL

R'000	Disposal of the Business	Pro Forma adjustments	Pro Forma financial effect of the EDF Disposal
Notes	1	2	4
ASSETS			
Non-current assets	113 586	(118 957)	(5 372)
Property, plant and equipment	(369)	–	(369)
Deferred taxation	(12)	–	(12)
Other financial assets	113 967	(118 957)	(4 991)
Current assets	(42 714)	(215)	(42 928)
Inventories	–	–	–
Trade and other receivables	(42 714)	–	(42 714)
Cash and cash equivalents	–	(215)	(215)
Total assets	70 872	(119 172)	(48 300)
EQUITY AND LIABILITIES			
Capital and reserves	71 131	(136)	70 995
Retained earnings	71 131	(136)	70 995
Non-controlling interest	–	–	–
Non-current liabilities	–	–	–
Current liabilities	(259)	(119 036)	(119 295)
Loans from shareholders	–	(118 957)	–
Other financial liabilities	–	(53)	(118 957)
Current tax payable	98	–	46
Trade and other payables	(357)	(26)	(384)
Total equity and liabilities	70 872	(119 172)	(48 300)

- EDF is accounted for in the interim results as a subsidiary and therefore the assets, liabilities and reserves of EDF (and the Business) were consolidated into the Group results at 30 June 2016. The column therefore removes the assets and liabilities of the Business of EDF, based on the unadjusted reviewed carve-out interim results at 30 June 2016 (see paragraph 37 for incorporation by reference).
- Pro Forma adjustments relating to:
 - the purchase price proceeds being R113 966 731 (being R120 150 00 adjusted for the *pro rata* value of the loan book, as set out in par 4.4.1.1 of the Circular), raised as financial asset (capitalised to Capital loan facility through the Implementation Agreement). Existing EIH loan payable by EDF at 30 June 2016 of R118 957 242 also consolidated to the Capital facility on the effective date; and
 - transaction costs of R214 591 (including VAT) are recognised for the EDF Disposal, resulting in a tax saving of R52 707 and a VAT receivable for input VAT of R26 353.
- Represents the combined *pro forma* financial effects of the EDF Disposal.

PRO FORMA STATEMENT OF FINANCIAL POSITION EFFECTS OF THE CLADE DISPOSAL

Notes	Deconsolidation of Clade	Pro Forma adjustments	Pro Forma effects of the Clade Disposal
	1	2	3
ASSETS			
Non-current assets	(3 410)	6 245	2 835
Property, plant and equipment	(9)	–	9
Goodwill		(9 255)	9 255
Deferred taxation	(3 401)	–	3 401
Other financial assets		15 500	15 500
Current assets	(13 074)	(215)	(13 289)
Trade and other receivables	(1 621)	–	1 621
Cash and cash equivalents	(11 453)	(215)	(11 668)
Total assets	(16 484)	6 030	(10 454)
EQUITY AND LIABILITIES			
Capital and reserves	(3 421)	5 101	1 680
Share capital and premium	(4 734)	4 734	–
Retained earnings	1 312	2 044	3 356
Non-controlling interest		(1 676)	(1 676)
Non-current liabilities	–	–	–
Current liabilities	(13 063)	929	(12 134)
Other financial liabilities	(12 535)	–	12 535
Current tax payable		955	955
Trade and other payables	(526)	(26)	552
Bank overdraft	(2)	–	2
Total equity and liabilities	(16 484)	6 030	(10 454)

1. Clade and its subsidiary are accounted for in the interim results as a subsidiary and therefore the assets, liabilities, and reserves of Clade were consolidated into the Group results at 30 June 2016.
The column removes the assets, liabilities and reserves of Clade as per the unadjusted financial statements for Clade, presented in Rand (see paragraph 37 for incorporation by reference).
2. Represents the following adjustments:
 - (a) Derecognition of goodwill raised on the initial acquisition of Clade, amounting to R9 255 232.
 - (b) Recognition of the sale price of R15 500 000, which is off-set against the loan account of Capital, as provided for in the Implementation Agreement.
 - (c) Transaction costs of R214 591 (including VAT) are recognised for the Clade Disposal, resulting in a tax saving of R52 707 and a VAT receivable for input VAT of R26 353.
 - (d) Consolidation entries to eliminate at acquisition equity and reserves of R4 733 553.
 - (e) A retained earnings movement relating to:
 - (i) consolidation entries to eliminate at acquisition equity and reserves of R1 312 440;
 - (ii) plus profit on disposal of investment R4 500 000, less tax of R1 008 000,
 - (iii) less transaction cost of R188 238, plus a tax saving of R52 707 on the transaction costs,
 - (iv) realisation of the non-controlling interest balance as at 30 June 2016, as per the reviewed Group interim results at 30 June 2016.
 - (f) Income tax payable on profit on disposal of R1 008 000, less tax saving on transaction cost of R52 707.
3. Represents the combined *pro forma* financial effects of the Clade Disposal.

PRO FORMA STATEMENT OF FINANCIAL POSITION EFFECTS OF THE EFS ZAMBIA

Notes	Deconsolidation of EFS Zambia	Pro Forma adjustments	Pro Forma effects of the EFS Zambia Subscription
	1	2	3
ASSETS			
Non-current assets	(13 766)	2 846	(10 920)
Property, plant and equipment	(1 628)	–	(1 628)
Goodwill		–	–
Intangible assets	(4 352)	–	(4 352)
Deferred taxation	(1 583)	–	(1 583)
Investment in associate		2 846	2 846
Other financial assets	(6 203)	–	(6 203)
Current assets	(491)	11 345	10 854
Trade and other receivables	(307)	–	(307)
Other financial assets	(95)	11 559	11 465
Loans to group companies		–	–
Cash and cash equivalents	(89)	215	(304)
Total assets	(14 257)	14 190	(67)
EQUITY AND LIABILITIES			
Capital and reserves	(646)	2 213	1 567
Share capital and premium	(3 586)	3 586	–
Reserve	(44)	44	–
Retained earnings	2 983	(1 417)	1 567
Non-controlling interest		–	–
Non-current liabilities	–	497	497
Deferred taxation		497	497
Current liabilities	(13 611)	11 480	(2 131)
Other financial liabilities	(761)	–	(761)
Current tax payable		53	(53)
Loans from group companies	(11 559)	11 559	–
Trade and other payables	(1 291)	26	(1 317)
Total equity and liabilities	(14 257)	14 190	(67)

1. EFS Zambia is accounted for in the interim results as a subsidiary and therefore the assets and liabilities of EFS Zambia were consolidated into the Group results at 30 June 2016. Following the dilution of the Group's holding in EFS Zambia to 24.995%, EFS Zambia will be reclassified from a subsidiary to an associate.

The column therefore removes the assets, liabilities and reserves of EFS Zambia as per the unadjusted reviewed financial statements of EFS Zambia (see paragraph 37 for incorporation by reference), presented in Zambian Kwacha, converted into Rand at 1.43431 rate for consolidation into the Group results on 30 June 2016.

2. *Pro Forma* adjustments relate to:

- Recognition of the investment in the associate, in line with IFRS 10 and IFRS 11, at fair value, equal to R2 845 635.
- Transfer of the inter-group loan amounting to R11 559 374, payable by EFS Zambia to EMS on derecognition of subsidiary, to other financial assets as loan receivable.
- Transaction costs of R214 591 (including VAT) are recognised for the EFS Zambia Subscription, resulting in a tax saving of R52 707 and a VAT receivable for input VAT of R26 353.
- Consolidation entries to eliminate the "at acquisition reserves on derecognition of investment in subsidiary", amounting to share capital of R3 585 775 and reserves of R43 671.

- (e) A movement to retained earnings amounting to:
 - (i) consolidation entries to eliminate at acquisition reserves on derecognition of investment in subsidiary amounting to R3 004 232;
 - (ii) plus profit on disposal of investment in subsidiary amounting to R2 220 421, less tax on profit amounting to R497 374;
 - (iii) less the impact of the transaction cost and related tax saving, amounting to R135 531;
 - (iv) a decrease of the deferred tax balance relating to the investment in EFS Zambia, amounting to R497 374; and
 - (v) total net loan accounts settled through the sale proceeds equal to R11 559 374.
- 3. Represents the combined *pro forma* financial effects of the EFS Zambia Subscription.

PRO FORMA STATEMENT OF FINANCIAL POSITION EFFECTS OF THE SURE CHOICE DISPOSAL

	Deconsolidation of Sure Choice	Pro Forma adjustments	Pro Forma effects of the Sure Choice Disposal
Notes			16
ASSETS			
Non-current assets	(73 530)	57 456	(16 074)
Property, plant and equipment	(509)	–	(509)
Deferred taxation	(2 148)	–	(2 148)
Other financial assets	(70 873)	57 456	(13 417)
Current assets	(39 169)	17 145	(22 025)
Trade and other receivables	(6 656)	–	(6 656)
Other financial assets	(11 550)	13 339	1 790
Loans to group companies	(4 020)	4 020	–
Cash and cash equivalents	(16 944)	(215)	(17 158)
Total assets	(112 700)	74 601	(38 099)
EQUITY AND LIABILITIES			
Capital and reserves	4 548	6 990	11 539
Share capital and premium	(1)	1	–
Reserve	246	(246)	–
Retained earnings	4 304	5 301	9 604
Non-controlling interest		1 934	1 934
Non-current liabilities	(17 978)	1 761	(16 217)
Other financial liabilities	(8 200)	–	(8 200)
Deferred revenue	(9 778)	–	(9 778)
Deferred taxation		1 761	1 761
Current liabilities	(99 270)	65 850	(33 420)
Other financial liabilities	(29 011)	–	(29 011)
Current tax payable	(341)	(53)	(394)
Loans from group companies	(65 929)	65 929	–
Trade and other payables	(565)	(26)	(591)
Revenue received in advance	(3 424)	–	(3 424)
Total equity and liabilities	(112 700)	74 601	(38 099)

Sure Choice is accounted for in the interim results as a subsidiary and therefore the assets and liabilities of Sure Choice were consolidated into the Group results at 30 June 2016. The column therefore removes the assets, liabilities and reserves of Sure Choice, as per the unadjusted reviewed financial statements for Sure Choice (see paragraph 37 for incorporation by reference), which are presented in Pula, after conversion into Rand at a rate of 1.33392.

1. *Pro Forma* adjustments relate to:

- Reclassification of the inter-group loan account of R57 456 195 to financial asset on derecognition of the investment in subsidiary.
- Recognition of the deferred purchase consideration of R13 339 200 (P10 000 000 at an exchange rate of ZAR1.339:P1 at 30 June 2016) as a loan receivable, net off against the Capital loan account pursuant to the Loan Consolidation.
- Inter-group loan facilities of R4 020 179 transferred to the Capital loan account pursuant to the Loan Consolidation.
- Transaction costs of R214 591 (including VAT) are recognised for the Sure Choice Disposal, resulting in a tax saving of R52 707 and a VAT receivable for input VAT of R26 353.
- Consolidation entries to eliminate at acquisition share capital of R1 334 and reserves of R246 095 on derecognition of investment in subsidiary.

- (f) A movement in retained earnings relating to:
 - (i) consolidation entries to eliminate at acquisition reserves on derecognition of investment in subsidiary;
 - (ii) *plus* the profit on disposal of investment amounting to R11 404 883, *less* tax on profit amounting to R1 760 774;
 - (iii) *less* the after- tax impact of transaction cost amounting to R135 531.
 - (g) Realisation of the non-controlling interest balance as per the reviewed Group interim results at 30 June 2016, amounting to R1 934 317.
 - (h) Decrease in the deferred tax balance on disposal of investment in Sure Choice, amounting to R1 760 774;
 - (i) Transfer of inter-group loan payable by Sure Choice to other financial assets as a loan receivable amounting to R65 929 115.
2. Represents the combined *pro forma* financial effects of the Sure Choice Disposal.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

R'000	Notes	1	2	3	4	5	6	7	8	9
		Ecsponent	Issue of Shares to Directors in lieu of salary	SOCI after post balance sheet events	Specific Issue	SOCI after the Specific Issue	ECS Holdings Disposal	SOCI after the ECS Holdings Disposal	EDF Disposal	SOCI after the EDF Disposal
	Revenue	116 704	-	116 704	-	116 704	5 695	122 399	17 159	133 863
	Cost of sales	(20 926)	-	(20 926)	-	(20 926)	-	(20 926)	(285)	(21 211)
	Gross profit	95 778	-	95 778	-	95 778	5 695	101 473	16 874	112 652
	Other income	18 543	-	18 543	-	18 543	34 825	53 368	71 229	89 772
	Operating expenses	(55 915)	(413)	(56 328)	(3 000)	(59 328)	1 923	(54 406)	(2 213)	(58 541)
	Operating loss	58 406	(413)	57 993	(3 000)	54 993	42 442	100 435	85 891	143 883
	Fair value adjustment	-	-	-	-	-	-	-	-	-
	Equity accounted profits	-	-	-	-	-	-	-	-	-
	Administration costs	-	-	-	-	-	(188)	(188)	(188)	(188)
	Net profit/(loss) before finance charges	58 406	(413)	57 993	(3 000)	54 993	42 254	100 247	85 702	143 695
	Net Finance charges	(29 867)	-	(29 867)	-	(29 867)	3	(29 864)	(172)	(30 039)
	Net profit/(loss) before taxation	28 539	(413)	28 126	(3 000)	25 126	42 257	70 383	85 530	113 656
	Taxation	(11 080)	116	(10 964)	840	(10 124)	(7 940)	(18 904)	(4 102)	(15 067)
	Net profit/(loss)	17 459	(298)	17 161	(2 160)	15 001	34 317	51 479	81 427	98 589
	Profit from discontinued operation	-	-	-	-	-	-	-	-	-
	Other comprehensive income	113	-	113	-	113	6	119	-	113
	Non-controlling interest	2 631	-	2 631	-	2 631	(767)	1 864	-	2 631
	Net profit/(loss) before other comprehensive income attributable to ordinary shareholders	20 203	(298)	19 905	(2 160)	17 745	33 557	53 462	81 427	101 330
	Calculation of headline earnings									
	Net profit/(loss) for the period	20 090	(298)	19 792	(2 160)	17 632	33 550	53 343	81 427	101 220
	- IAS 16 Profit on disposal of PPE	(25)	-	(25)	-	(25)	-	(25)	-	(25)
	- IFRS 10 Gain on disposal of subsidiary	(11 165)	-	(11 165)	-	(11 165)	(28 849)	(40 014)	(71 131)	(82 296)

	1	2	3	4	5	6	7	8	9
R'000	Ecsponent	Issue of Shares to Directors in lieu of salary	SOCI after post balance sheet events	Specific Issue	SOCI after the Specific Issue	ECS Holdings Disposal	SOCI after the ECS Holdings Disposal	EDF Disposal	SOCI after the EDF Disposal
Notes									
	8 900	(298)	8 602	(2 160)	6 442	4 701	13 304	10 296	18 899
	902 676		1 065 424		1 077 447		1 065 424		1 065 424
	902 676		1 065 424		1 077 447		1 065 424		1 065 424
	2.23		2.19		1.95		5.14		9.76
	0.99		0.95		0.71		1.28		1.82
	2.23		2.19		1.95		5.14		9.76
	0.99		0.95		0.71		1.28		1.82
	0.99		0.95		0.71		1.28		1.82

continued...

	10	11	12	13	14	15	16	17	18
	Clade Disposal	SOCI after the Clade Disposal	EFS Zambia Subscription	SOCI after the EFS Zambia Subscription	Sure Choice Disposal	SOCI after the Sure Choice Disposal	MyBucks Acquisition	SOCI after the MyBucks Acquisition	SOCI after the combined pro forma effects of the Transactions
Notes	2 170	118 874	449	117 153	(7 093)	109 611	(36 760)	79 944	98 324
Revenue									
Cost of sales	-	(20 926)	-	(20 926)	1 979	(18 947)	-	(20 926)	(19 232)
Gross profit	2 170	97 948	449	96 227	(5 114)	90 664	(36 760)	59 018	79 093
Other income	4 500	23 043	2 267	20 810	11 405	29 927	21 587	40 130	164 355
Operating expenses	-	(56 328)	2 325	(54 003)	5 662	(50 645)	-	(56 328)	(48 632)
Operating loss	6 670	64 663	5 041	63 034	11 952	69 945	(15 173)	42 820	194 816
Fair value adjustment	-	-	-	-	-	-	7 333	7 333	7 333
Equity accounted profits	-	-	(453)	(453)	-	-	-	-	(453)
Administration costs	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(1 129)
Net profit/(loss) before finance charges	6 482	64 474	4 400	62 393	11 764	69 757	(8 028)	49 965	200 567
Net Finance charges	-	(29 867)	1 305	(28 562)	8 517	(21 350)	-	(29 867)	(20 214)
Net profit/(loss) before taxation	6 482	34 607	5 706	33 831	20 282	48 407	(8 028)	20 098	180 354
Taxation	(1 563)	(12 527)	(1 792)	(12 756)	(3 702)	(14 667)	3 983	(6 981)	(26 080)
Net profit/(loss) for the period	4 919	22 080	3 914	21 075	16 579	33 741	(4 045)	13 116	154 273
Profit from discontinued operation	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	113	30	143	(76)	37	-	113	73
Non-controlling interest	-	2 631	-	2 631	-	2 631	-	2 631	1 864
Net profit/(loss) before other comprehensive income attributable to ordinary shareholders	4 919	24 824	3 944	23 849	16 503	36 409	(4 045)	15 860	156 210
Calculation of headline earnings	4 919	24 711	3 914	23 706	16 579	36 372	(4 045)	15 747	156 137
Net profit/(loss) for the period									
- IAS 16 Profit on disposal of PPE	-	(25)	-	(25)	-	(25)	-	(25)	(25)
- IFRS 10 Gain on disposal of subsidiary	(3 492)	(14 657)	(1 723)	(12 888)	(9 644)	(20 809)	-	(11 165)	(126 004)

Headline earnings for the period	1 427	10 029	2 191	10 793	6 935	15 538	(4 045)	4 557	30 108
Number of Shares in issue – basic		1 065 424		1 065 424		1 065 424		1 065 424	1 065 424
Number of Shares in issue – diluted		1 065 424		1 065 424		1 065 424		1 065 424	1 065 424
Attributable earnings/(loss) per Ordinary Share (cents)		2.38		2.28		3.51		1.52	15.05
Headline earnings per Share (cents)		0.97		1.04		1.50		0.44	2.90
Fully diluted attributable earnings/(loss) per Ordinary Share (cents)		2.38		2.28		3.51		1.52	15.05
Fully diluted weighted headline earnings per Share (cents)		0.97		1.04		1.50		0.44	2.90
Fully diluted headline earnings per Share (cents)		0.97		1.04		1.50		0.44	2.90

Notes:

- Represents the unadjusted published reviewed consolidated interim financial results of Ecsponent for the six-month period ended 30 June 2016.
- Issue of Shares to Directors in lieu of salaries pursuant to the approval obtained from Shareholders on 3 May 2016. A total employee cost of R413 322 is incurred. A saving in tax expense of R115 730 is recognised as a result of the tax deductibility of the employee cost, resulting in a net movement of R297 592 in net profit (being the total cost of R413 322 less the tax benefit of R115 730).
- Represents the *pro forma* consolidated interim financial results of Ecsponent for the period 30 June 2016 after the adjustment for material post balance sheet events (see note 2 above). The realisation of the common control reserve, the Rights Offer, and the acquisition of 26% of the shares in EDF has no impact on the *pro forma* statement of comprehensive income.
- Represents the effects of the Specific Issue, as detailed in paragraph 10 of the Circular, as if the Specific issue had occurred on 1 January 2016.
A total employee cost of R3 000 000 is recognised as an employee share based payment in terms of IFRS2. A tax saving of R840 000, resulting in a total retained earnings charge of R2 160 000. Transaction costs are written off against stated capital and therefore have not affect the statement of comprehensive income.
- Represents the *pro forma* consolidated SOCI of Ecsponent for the period 30 June 2016 after the adjustment for material post balance sheet events (see note 2 above) and the Specific Issue.
- Represents the financial effects of the ECS Holdings Disposal. Shareholders are referred to **Annexure 2F** for the detailed workings and notes on the *pro forma* financial effects of the ECS Holdings Disposal.
- Represents the *pro forma* SOCI after the material post balance sheet events and after the ECS Holdings Disposal, assuming that none of the other Transactions or the Specific Issue are implemented.
- Represents the financial effects of the disposal by EDF of the Business. Shareholders are referred to **Annexure 2G** for the detailed workings and notes on the *pro forma* financial effects of the EDF Disposal.
- Represents the *pro forma* SOCI after the material post balance sheet events and after the EDF Disposal, assuming that none of the other Transactions or Specific Issue are implemented.
- Represents the financial effects of the Clade Disposal. Shareholders are referred to **Annexure 2H** for the detailed workings and notes on the *pro forma* financial effects of the Clade Disposal.
- Represents the *pro forma* SOCI after the material post balance sheet events and after the Clade Disposal, assuming that none of the other Transactions or Specific Issue are implemented.
- Represents the financial effects of the EFS Zambia Subscription. Shareholders are referred to **Annexure 2I** for the detailed workings and notes on the *pro forma* financial effects of the EFS Zambia Subscription.
- Represents the *pro forma* SOCI after the material post balance sheet events and after the EFS Zambia Subscription, assuming that none of the other Transactions or Specific Issue are implemented.
- Represents the financial effects of the Sure Choice Disposal. Shareholders are referred to **Annexure 2J** for the detailed workings and notes on the *pro forma* financial effects of the Sure Choice Disposal.
- Represents the *pro forma* SOCI after the material post balance sheet events and after the Sure Choice Disposal, assuming that none of the other Transactions or the Specific Issue are implemented.
- Represents the financial effects of the MyBucks Acquisition, which has an ongoing effect on the Group.
A day-one gain, being the difference between the purchase consideration and the fair value of the investment, of R28 920 089 is recognised, relating to:
 - fair value adjustments, of R7 333 084 at a share price of €15.90 at 30 June 2016 (the share price of MyBucks SA at the Last Practicable Date was €17.85)
 - foreign currency gains of R21 587 005 at a conversion rate of R16.67:€1 on 30 June 2016.
A tax charge of R6 362 419 is recognised against the day-one gain.
A decrease in revenue earned on the loan account, equal to R36 759 800 is recognised, as a result of the off-set of the purchase consideration against the loan account, resulting in a tax saving of R10 292 744.
Transaction costs of R188 238 (excluding VAT) are recognised for the MyBucks Acquisition, resulting in a tax saving of R52 707.
- Represents the *pro forma* statement of comprehensive income after the material post balance sheet events and after the MyBucks Acquisition, assuming that none of the other Transactions or the Specific Issue are implemented.
- Represents the *pro forma* statement of comprehensive income after the material post balance sheet events and after the combined financial effects of the Transactions, assuming all the Transactions are implemented.
- Normal taxation has been calculated at the corporate rate of 28%, where appropriate.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME EFFECTS OF THE ECS HOLDINGS DISPOSAL

R'000	Deconsolidation of unadjusted profits and losses	Income and expenses of Sanceda Botswana	Pro Forma adjustments	Pro Forma effects of the ECS Holdings Disposal
Notes	1	2	3	4
Revenue	(74)	74	5 695	5 695
Cost of sales	–	–	–	–
Gross profit	(74)	74	5 695	5 695
Other income	0	–	34 824	34 825
Operating expenses	2 994	(1 071)	–	1 923
Operating loss	2 920	(997)	40 519	42 442
Administration costs	–	–	(188)	(188)
Net profit/(loss) before finance charges	2 920	(997)	40 331	42 254
Net Finance charges	138	(135)	–	3
Net profit/(loss) before taxation	3 058	(1 132)	40 331	42 257
Taxation	(671)	249	(7 517)	(7 940)
Net profit/(loss) for the period	2 387	(883)	32 814	34 317
Profit from discontinued operation	–	–	–	–
Other comprehensive income	13	(6)	–	6
Non-controlling interest	(1 033)	265	–	(767)
Net profit/(loss) before other comprehensive income attributable to Ordinary Shareholders	1 367	(624)	32 814	33 557

- ECS Holdings and its subsidiaries are accounted for in the interim results as a subsidiary and therefore the income and expenses of ECS Holdings were consolidated into the Group results at 30 June 2016. The column therefore removes the unadjusted income and expenses of ECS Holdings from the consolidated Group results, as per the carve-out financial statements for ECS Holdings and its subsidiaries (refer to paragraph 37 for incorporation by reference)) after its conversion into Rand, at an average rate of 1.35512, resulting in a FCTR movement of R12 557.
- Represents a portion of the income and expenses of Sanceda Botswana that are currently housed in ECS Holdings and not subject to the ECS Holdings Disposal, and therefore added back to the Group results following the deconsolidation of 100% of the income and expenses in ECS Holdings. The income and expenses of Sanceda Botswana are based on the reviewed interim results of Sanceda Botswana at 30 June 2016.
- Pro Forma* adjustments relate to:
 - Additional revenue of R5 694 943 is recognised to account for interest income on the deferred sale consideration, with a corresponding tax expense of R1 594 584.
 - A profit on disposal amounting to R34 825 033 was recognised for the ECS Holdings Disposal, recognised in other income, calculated as follows:

Proceeds on ECS Holdings Disposal	33 345 763
Carrying amount of investment in ECS Holdings	(1 478 664)
– Share Capital	1 333
– Retained income since acquisition	(709 434)
– Reserves	(10 174)
– Minority interest	(760 389)
Profit on ECS Holdings Disposal	34 824 427
 - Transaction costs of R188 238 (excluding VAT) are recognised for the ECS Holdings Disposal, resulting in a tax saving of R52 707.
 - A tax charge on the profit on disposal, interest on the loan account and a tax saving on transaction cost at 28%.
- Represents the combined *pro forma* financial effects of the ECS Holdings Disposal.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME EFFECTS OF THE EDF DISPOSAL

	Original acquisition of EDF	Deconsolidation of profits and losses	Pro Forma adjustments	Pro Forma effects of the EDF Disposal
Notes				
Revenue	8 745	(7 541)	15 955	17 159
Cost of sales	(314)	29	–	(285)
Gross profit	8 238	(7 319)	15 955	16 874
Other income	–	–	71 229	71 229
Operating expenses	(3 799)	1 586	–	(2 213)
Operating loss	4 632	(5 926)	87 185	85 891
Fair value adjustment	–	–	–	–
Income from equity accounted investments	–	–	–	–
Administration costs	–	–	(188)	(188)
Net profit/(loss) from operations before finance charges	4 632	(5 926)	86 996	85 702
Net Finance charges	(2 527)	2 355	–	(172)
Net profit/(loss) before taxation	2 105	(3 571)	86 996	85 530
Taxation	(589)	1 000	(4 513)	(4 102)
Net profit/(loss) for the period	1 515	(2 571)	82 483	81 427
Profit from discontinued operation	–	–	–	–
Other comprehensive income	–	–	–	–
Non-controlling interest	–	–	–	–
Net profit/(loss) before other comprehensive income attributable to ordinary shareholders	1 515	(2 571)	82 483	81 427

- EDF was acquired on 30 June 2016, being the last day of the interim period, and therefore the income and expenses of EDF (and the Business) are not included in the unadjusted reviewed consolidated interim results of Ecspontent for the six-month period ended 30 June 2016. In order to illustrate the effects of the EDF Disposal, this column includes the income and expenses of EDF for the period from 1 January 2016 to 30 June 2016 in the *pro forma* interim results, as if EDF was a subsidiary from 1 January 2016.
- The column removes the income and expenses of the Business, being the portion of the business of EDF that is being disposed of, as per the carve-out financial statements of the Business being disposed of (see paragraph 37 for incorporation by reference).
- Pro Forma* adjustments relate to:
 - Interest raised on loan account for deferred purchase consideration from 1 Jan – 30 June 2016 amounting to R15 955 342
 - Transaction costs of R188 238 (excluding VAT) is recognised for the EDF Disposal, resulting in a tax saving of R52 707.
 - A tax charge at 28%.
- Represents the combined *pro forma* financial effects of the EDF Disposal.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME EFFECTS OF THE CLADE DISPOSAL:

Notes	Initial acquisition of Clade 1	Deconsolidation of profits and losses 2	Pro Forma adjustments 3	Pro Forma effects of the Clade Disposal 4
Revenue	41	(41)	2 170	2 170
Cost of sales			–	–
Gross profit	41	(41)	2 170	2 170
Other income	535	(535)	4 500	4 500
Operating expenses	(1 100)	1 100	–	–
Operating profit/(loss)	(525)	525	6 670	6 670
Fair value adjustment			–	–
Income from equity accounted investments			–	–
Administration costs			(188)	(188)
Net profit/(loss) from operations before finance charges			6 482	6 482
Net Finance charges	(88)	88	–	–
Net profit/(loss) before taxation	(613)	613	6 482	6 482
Taxation	172	(172)	(1 563)	(1 563)
Net profit/(loss) for the period	(441)	441	4 919	4 919
Profit from discontinued operation			–	–
Other comprehensive income			–	–
Non-controlling interest			–	–
Net profit/(loss) before other comprehensive income attributable to Ordinary Shareholders	(441)	441	4 919	4 919

- Clade was acquired on 30 June 2016 and therefore the income and expenses of Clade and its subsidiary are not included in the unadjusted reviewed consolidated interim results of Ecsponent for the six-month period ended 30 June 2016 (as presented in column 1). The unadjusted income and expenses, as per the reviewed interim results of Clade for the period ended 30 June 2016 (see paragraph 37 for incorporation by reference), are therefore first included as if the initial acquisition of Clade occurred on 1 January 2016.
- The column derecognises the unadjusted income and expenses recognised in column 1, as per the reviewed interim results of Clade for the period ended 30 June 2016, as if the disposal occurred on 1 January 2016.
- Pro Forma* adjustments relating to:
 - Interest earned on deferred disposal consideration amounting to R2 170 000 for the period from 1 January 2016 to 30 June 2016.
 - Profit on the disposal of Clade, amounting to R4 500 000, calculated as follows:

Proceeds from the sale	15 500 000
Less the value of Clade holding being sold	11 000 000
– NAV of Clade at 30 June 2016	3 421 113
– Less non-controlling interest in NAV	(1 676 345)
– Goodwill	9 255 232
Net profit on disposal	4 500 000
 - Transaction costs of R188 238 (excluding VAT) are recognised for the Clade Disposal.
 - A tax charge at 28%.
- Illustrates the combined *pro forma* financial effect of the Clade Disposal.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME EFFECTS OF THE EFS ZAMBIA SUBSCRIPTION:

Notes	Deconsolidation of profits and losses	Pro Forma adjustments	Pro Forma effects of the EFS Zambia Subscription
	1	2	3
Revenue	(938)	1 387	449
Cost of sales		–	–
Gross profit	(938)	1 387	449
Other income	46	2 220	2 267
Operating expenses	2 325	–	2 325
Operating loss	1 434	3 608	5 041
Fair value adjustment		–	–
Income from equity accounted investments		(453)	(453)
Administration costs (circular, printing, JSE, sponsor etc.)		(188)	(188)
Net profit/(loss) from operations before finance charges	1 434	2 967	4 400
Net Finance charges	1 305	–	1 305
Net profit/(loss) before taxation	2 739	2 967	5 706
Taxation	(959)	(833)	(1 792)
Net profit/(loss) for the period	1 780	2 134	3 914
Profit from discontinued operation		–	–
Other comprehensive income	30	–	30
Non-controlling interest		–	–
Net profit/(loss) before other comprehensive income attributable to Ordinary Shareholders	1 810	2 134	3 944

- EFS Zambia is accounted for in the interim results as a subsidiary and therefore the income and expenses of EFS Zambia were consolidated into the Group results at 30 June 2016. Following the dilution of the Group's holding in EFS Zambia to 24.995%, EFS Zambia will be reclassified from a subsidiary to an associate. The column therefore removes the income and expenses of EFS Zambia previously consolidated into the Group results at 30 June 2016, as per the financial statements for EFS Zambia (see paragraph 37 for incorporation by reference), presented in ZMW, after its conversion into Rand at an average exchange rate of 1.43745, resulting in a FCTR movement of R29 880.
- The *pro forma* adjustments relate to:
 - Interest earned on the deferred sale consideration amounting to R1 387 125.
 - Profit on disposal of the investment amounting to R2 220 420, calculated as follows:

NAV of 100% of EFS Zambia before the subscription	625 214
NAV of 25% of EFS Zambia before the subscription	2 845 635
	2 220 421
 - Recognition of the equity accounted profit for the investment in the associate of R452 526.
 - Transaction costs of R188 238 (excluding VAT) are recognised for the EFS Zambia Subscription, resulting in a tax saving of R52 707.
 - A tax charge at 28%
- Represents the combined *pro forma* financial effects of the EFS Zambia Subscription.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME EFFECTS OF THE SURE CHOICE DISPOSAL

R000	Deconsolidation of profits and losses	Pro Forma adjustments	Pro Forma effects of the Sure Choice Disposal
Notes			
Revenue	(15 431)	8 337	(7 093)
Cost of sales	1 979	–	1 979
Gross profit	(13 452)	8 337	(5 114)
Other income	–	11 405	11 405
Operating expenses	5 662	–	5 662
Operating loss	(7 790)	19 742	11 952
Fair value adjustment		–	–
Income from equity accounted investments		–	–
Administration costs (circular, printing, JSE, sponsor etc.)		(188)	(188)
Net profit/(loss) from operations before finance charges	(7 790)	19 554	11 764
Net Finance charges	8 517	–	8 517
Net profit/(loss) before taxation	728	19 554	20 281
Taxation	(160)	(3 542)	(3 702)
Net profit/(loss) for the period	567	16 012	16 579
Profit from discontinued operation		–	–
Other comprehensive income	(76)	–	(76)
Non-controlling interest		–	–
Net profit/(loss) before other comprehensive income attributable to ordinary shareholders	492	16 012	16 503

- Sure Choice is accounted for in the interim results as a subsidiary and therefore the income and expenses of Sure Choice were consolidated into the Group results at 30 June 2016. The column therefore removes the unadjusted income and expenses of Sure Choice, as per the carve-out financial statements for Sure Choice (see paragraph 37 for incorporation by reference), which are presented in Pula, and have been converted into Rand at an average rate of 1.35512 for consolidation into the Group results on 30 June 2016.
- Pro Forma* adjustments relate to:
 - Recognition of interest on the deferred consideration and the loan receivable (previously a shareholders' loan), equal to R8 337 250.
 - A profit on disposal equal to R11 404 882 calculated as follows:

Proceeds on sale	13 339 200
<i>Pro Forma</i> carrying amount at 30 June 2016	1 934 317
– NAV at 30 June 2016	(4 452 741)
– Less non-controlling interest in NAV	1 934 317
– Capitalised of loan account	4 452 741
 - Transaction costs of R188 238 (excluding VAT) are recognised for the Sure Choice Disposal.
 - A tax charge at 28%
- Represents the combined *pro forma* financial effects of the Sure Choice Disposal.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION

"The Directors

Ecsponent Limited

Acacia House
Green Hill Village Office Park
Cnr of Nentabos and Botterklapper Street
The Willows
Pretoria East, 0181

24 February 2017

Dear Sirs

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA*
FINANCIAL INFORMATION OF ECSPONENT LIMITED ("ECSPONENT" OR "THE COMPANY")**

We have completed our assurance engagement to report ("Report") on the compilation of *pro forma* financial information of Ecsponent by the directors. The *pro forma* financial information, as set out in Paragraph 11 and **Annexure 2** of the circular to be issued by the Company on or about 1 March 2017 ("the Circular"), consists of the *pro forma* statement of financial position and related notes, net asset value and net tangible asset value per share, the statement of comprehensive income and related notes and earnings and headline earnings and diluted earnings and diluted headline earnings per share (collectively "*Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the disposal of Ecsponent Holdings Botswana, Clade Investments, Sure Choice, ECS Zambia and EDF to a related party, the acquisition of MyBucks shares, the rights issue and the specific issue of ordinary shares to directors in lieu of cash for future salaries and fees (collectively known as the "Transaction"), as detailed in the Circular, on the Company's financial position as at 30 June 2016, as if the Transaction had taken place at 30 June 2016 and the Company's financial performance had the Transaction taken place on 1 January 2016. As part of this process, information about the Company's statement of financial position and statement of comprehensive income has been extracted by the directors from the Company's interim financial statements ("Published Financial Information") for the period ended 30 June 2016, on which a review report has been published. In addition, the directors have calculated the net asset value, net tangible asset value, earnings and headline earnings per share as at 30 June 2016 based on financial information extracted from the Published Financial Information.

Directors' responsibility for the *Pro Forma* Financial Information

The directors of Ecsponent are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.34 of the JSE Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information, revised and issued in September 2014 ("Applicable Criteria").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standards 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.

Reporting Accountants' responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis of the Applicable Criteria, based on our procedures performed. We conducted our engagement in accordance with the 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. This standard requires that we comply with ethical requirements and plan and perform our 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 Published 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 Published Financial Information used in compiling the *Pro Forma* Financial Information.

The purpose of *Pro Forma* Financial Information included in the Circular is solely to illustrate the impact of the Transaction on the unadjusted Published Financial Information as if the Transaction had been undertaken on 30 June 2016 for purposes of the net asset value and net tangible asset value per share and statement of financial position and 01 January 2016 for statement of comprehensive income and earnings and headline earnings per share. Accordingly, we do not provide any assurance that the actual outcome of the Transaction, subsequent to its implementation, will be as presented in the *Pro Forma* Financial Information.

A reasonable assurance engagement to report on whether the *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 *Pro Forma* Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Transaction 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 Published Financial Information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of Ecsponent, the Transaction in respect of which the *Pro Forma* Financial Information has been compiled and other relevant engagement circumstances.

The 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 as described in Paragraph 11 and **Annexure 2** of the circular.

Yours faithfully

Nexia SAB&T

Per: **A. Darmalingam**

Chartered Accountant (SA)

JSE Registered Auditor and Reporting Accountant

Director

119 Witch-Hazel Avenue
Highveld Technopark
Centurion"

INDEPENDENT EXPERT'S FAIRNESS OPINION ON THE DISPOSALS AND THE MYBUCKS ACQUISITION

"The Directors
Acacia House
Greenhill Village Office Park
Botterklapper Street
Pretoria
0182

24 February 2017

Dear Sirs

INDEPENDENT REPORT IN RESPECT OF A RELATED PARTY ACQUISITION AND RELATED PARTY DISPOSALS ("THE TRANSACTIONS") IN RELATION TO ECSPONENT LIMITED ("ECSPONENT" OR "THE GROUP" OR "THE COMPANY")

Introduction

The Ecsponent board of directors ("the Board") has undertaken a process of rationalising the Group's operations and investments, aimed at focusing the Group's operations on its core business of capital raising, SME and enterprise finance and private equity, with the Group disposing of all other assets not aligned to these activities.

In furtherance of this rationalisation, the Group has concluded agreements to give effect to the Transactions, which are intended to streamline operations and re-align the Group for increased strategic growth.

In addition to aligning the focus of the Group's divisions to its core business, the Transactions are expected to result in increased focus on profit generating assets; improved cash deployment in core assets; lowered overhead base; and reduced management span of control.

The Group has also undertaken the consolidation of all the loan accounts owing to/by the various parties to the Transactions, and their group companies, whereby the various loan accounts will be consolidated into one single loan account ("Loan Account") between Ecsponent Treasury Services Limited ("ETS"), a subsidiary of Ecsponent, and Ecsponent Capital (RF) Limited ("Capital") ("Loan Consolidation").

Capital was the holding company of Ecsponent in the preceding 12-month period and is currently still a material shareholder in Ecsponent.

In respect of the Transactions, taking into consideration:

- the related party acquisition by Ecsponent Limited, incorporated in Botswana ("ECS Botswana") of 10.002% of the issued share capital of MyBucks SA ("MyBucks") from Ecsponent Projects Proprietary Limited ("Projects"), a wholly-owned subsidiary of Capital, for a purchase consideration of R262 570 000 ("the MyBucks Acquisition");
- the disposal by the Company of its 51% interest and loan accounts in Clade Investment Management Proprietary Limited ("Clade") to Capital for a total consideration of R15 500 000 ("the Clade Disposal");
- the disposal by the Company of its 70% interest and loan accounts in Ecsponent Holdings Proprietary Limited, incorporated in Botswana ("ECS Holdings"), to Projects, for a purchase consideration of P34 000 000 (equal to R42 840 000 as at the Last Practicable Date) ("the ECS Holdings Disposal");
- the disposal of the short-term bridging finance provided to retail clients and to suppliers of government and municipal departments ("the Business") of Ecsponent Development Fund Proprietary Limited ("EDF"), a 74% owned subsidiary of Ecsponent, as a going concern, to Ecsponent Investment Holdings Proprietary Limited ("EIH"), a wholly-owned subsidiary of Capital, for a purchase consideration of R120 150 000 ("the EDF Disposal");

collectively (the "Capital Transactions"), the Capital Transactions are classified as related party transactions in terms of paragraph 10.1(b)(i) and 10.1(b)(vii) of the JSE Listings Requirements ("the Listings Requirements") and are therefore conditional upon, *inter alia*, shareholder approval (excluding the related party involved and its associates).

The transactions below are not related party transactions in terms of the Listings Requirements, however, given the common parties to the Transactions, the Board has decided to treat the below transactions as related party transactions, taking into consideration:

- the issue of 1 500 000 new shares by Ecsponent Financial Services Limited ("EFS Zambia"), equating to 75% of the total issued share capital in EFS Zambia post the issue, to GetBucks Limited ("GetBucks MU"), for a subscription price of ZMW7 500 000 (equal to R10 200 000 as at the Last Practicable Date), payable in cash ("the EFS Zambia Subscription"), resulting in a dilution of Ecsponent's interest from 100% to 25%; and

- the disposal by Ecsponent of its 50% interest in Sure Choice Proprietary Limited (“Sure Choice”) to GetBucks Limited, incorporated in Botswana and of which Capital is a material shareholder (“GetBucks BW”), for a sale consideration of P10 000 000 (equal to R12 600 000 as at the Last Practicable Date) (“the Sure Choice Disposal”), the Transactions constitute related party transactions in terms of section 10.1(b)(i) of the Listings Requirements.

Merchantec Proprietary Limited (“Merchantec Capital”) has been appointed by Ecsponent to independently determine whether, by using the information and assumptions available, the consideration payable for the MyBucks Acquisition and the consideration receivable for the Transactions, is fair to Ecsponent shareholders, in terms of section 10.1(b)(i), 10.1(b)(vii) and schedule 5 of the Listings Requirements with regards to the Capital Transactions, and on request by the Board with regards to the Sure Choice Disposal and the EFS Zambia Subscription.

Definition of the term “fair”

The assessment of fairness is primarily based on quantitative issues. For illustrative purposes, the acquisition by ECS Botswana of the shares in MyBucks may be said to be fair if the value of the shares is more than or equal to the value of the consideration payable by ECS Botswana. Similarly, if the consideration receivable for each related party disposal is greater than the value of the entity being disposed, the disposal may be said to be fair.

In preparing our opinion we will apply the aforementioned principle.

Responsibility and scope

The responsibility of Merchantec Capital is to prepare a report in respect of the fairness of the Transactions and the report must at a minimum satisfy the requirements set out in schedule 5 of the Listings Requirements.

Compliance with the Listings Requirements is the responsibility of the directors of Ecsponent. Our responsibility is to report on whether or not the terms and conditions of the Transaction, as they relate to the Ecsponent shareholders, are fair.

Information and sources of information

In the course of our analysis, we relied upon financial and other information obtained from Ecsponent, together with other information available in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

The principle sources of information used in formulating our opinion regarding the Transactions which is relevant to the value of the shares acquired in MyBucks and the entities disposed of include:

- Financial Statements for the six-month period ended 30 June 2016 for Clade, ECS Holdings, EDF, EFS Zambia and Sure Choice and Annual Financial Statements for the year ended 31 December 2015 for ECS Holdings, EDF, EFS Zambia and Sure Choice;
- Annual Financial Statements of MyBucks for the years ended 30 June 2013, 30 June 2014; 30 June 2015 and 30 June 2016;
- Interim Financial Statements of MyBucks for the six months ended 31 December 2015;
- Analyst report for MyBucks dated 29 September 2016;
- Clade, ECS Holdings, EDF, EFS Zambia and Sure Choice financial forecasts and assumptions for the years ending 31 December 2016, 31 December 2017 and 31 December 2018 prepared by the management of Ecsponent;
- Subscription Agreement between Ecsponent, GetBucks MU and EFS Zambia;
- Sale of Shares Agreement between Ecsponent, Capital and Ecsponent Management Services Limited with regards to Clade;
- Agreement for the Sale of Business between EDF and EIH;
- Sale of Shares Agreement between Projects and Ecsponent with regards to MyBucks;
- Sale of Shares Agreement between Ecsponent, Projects and Ecsponent Management Services Limited with regards to ECS Holdings;
- Sale of Shares Agreement between Ecsponent Limited, GetBucks BW and Ecsponent Asset Management Limited (“EAM”), incorporated in Botswana and a 70% owned subsidiary of ECS Holdings, with regards to Sure Choice; and
- Publicly available information relating to the financial services industry.

Procedures performed

In arriving at our opinion, amongst other things, we have undertaken the following procedures in evaluating the fairness of the Transactions:

- reviewed the final terms of the agreements referred to above;
- considered the underlying rationale for the Transactions;
- analysed the historical Financial Statements for the parties to the Transactions (excluding MyBucks) for the six-month period ended 30 June 2016 and the year ended 31 December 2015;
- analysed the historical Financial Statements of MyBucks for the years ended 30 June 2014, 30 June 2015 and 30 June 2016;

- analysed and reviewed the financial forecasts and assumptions for the parties to the Transactions (excluding MyBucks) for the years ending 31 December 2016, 31 December 2017 and 31 December 2018;
- compiled financial forecasts for MyBucks based on historical financial information and publicly available information relating to the financial technology industry for the years ending 30 June 2017, 30 June 2018 and 30 June 2019;
- based on the above, performed valuations of the shareholdings in the businesses being disposed of or acquired and a valuation of the Business of EDF. The discounted cash flow methodology was the primary valuation methodology employed in respect of the valuations. Sensitivity analyses were performed considering key assumptions, key internal and external valuation drivers in arriving at a valuation range;

MyBucks

- Key internal valuation drivers for MyBucks included growth in the loan book of MyBucks which drives the net interest income as well as the timing of loans advanced to customers. There is high demand for the type of loans advanced by MyBucks as evidenced by the average growth in the loan book over the last three years of over 100%. The difference between interest paid on funding this business and the interest received on loans advanced to customers is large and therefore changes in the value of loans advanced to customers has a significant impact on the value of MyBucks. A 5% decrease in the loan book over the forecast period would result in a 12% decrease in the value of MyBucks.
- Key external valuation drivers included the discount rate, which comprises external valuation drivers such as the risk-free rate, the market risk premium and the extent to which movements in MyBucks shares are correlated to market movements, and the long-term industry growth rate, which has been approximated by a blended inflation rate of 8%. The blended inflation rate was based on an weighted average inflation rate of the regions in which MyBucks operates. Company specific risks have been included in the discount rate of MyBucks which increases the discount rate and decreases the value of MyBucks.
- Using the above valuations, compared the value of the shares acquired in MyBucks to the consideration payable.

Clade

- Key internal valuation drivers for Clade included the expected growth in revenue and the effect on working capital due to the timing of cash flows. Revenue is driven by growth in assets under management, which is forecast to grow as the boutique asset management industry continues to expand. There is also high operating leverage in this business as operating expenses do not grow at the same rate as revenue. Therefore the revenue growth for the forecast period, which is based on these factors, is the main internal valuation driver for Clade. A 10% change in revenue over the forecast period would result in a 23% change in the value of Clade.
- Key external valuation drivers included the discount rate, which comprises external valuation drivers such as the risk-free rate, the market risk premium and the extent to which movements in industry peer's shares are correlated to market movements, and a long-term industry growth rate of 6% which was used in deriving a terminal value. Company specific risks have been included in the discount rate of Clade which increases the discount rate and decreases the value of Clade. The more sensitive of the two key external valuation drivers is the discount rate. A 1% change in the discount rate results in an 8% change in the value of Clade.
- Using the above valuations, compared the value of the shares of Clade that were disposed of to the consideration receivable.

ECS Holdings

- The value of ECS Holdings is driven primarily by its 70% shareholding in EAM. Key internal valuation drivers for EAM included the expected growth in revenue and the effect on working capital due to the timing of cash flows. Revenue is driven by growth in assets under management, which is forecast to grow as GDP in Botswana continues to grow at high rates. Botswana's GDP grew at an average of 4.3% from 1995 to 2016. Therefore the revenue growth for the forecast period, which is based on these factors, is the main internal valuation driver for EAM. The growth in assets under management in the forecasts provided were viewed as being aggressive and were adjusted to reflect a more achievable growth trajectory. The company specific risk associated with high growth forecasts that was applied to the discount rate was also set at a level that we believe takes into account the risk inherent in the forecasts. A 10% change in revenue over the forecast period would result in a 6% change in the value of EAM.
- Key external valuation drivers included the discount rate, which comprises external valuation drivers such as the risk-free rate, the market risk premium and the extent to which movements in industry peer's shares are correlated to market movements, and a long-term industry growth rate of 3% which was used in deriving a terminal value. Company specific risks have been included in the discount rate of the EAM which increases the discount rate and decreases the value of EAM. The more sensitive of the two key external valuation drivers is the long-term industry growth rate. A 1% change in the long-term industry growth rate results in a 20% change in the value of EAM.
- Using the above valuations, compared the value of the shares of ECS Holdings that were disposed of to the consideration receivable.

The Business of EDF

- Key internal valuation drivers for the Business of EDF included growth in the loan book of EDF which drives the net interest income as well as the timing of loans advanced to customers. The appetite for Small Medium Enterprise (SME) funding is believed to be large and the growth of the loan book is based predominantly on this factor. The difference

between interest paid on funding this business and the interest received on loans advanced to customers is very large and therefore changes in the value of loans advanced to customers has a significant impact on the value of the Business of EDF. A 5% decrease in the loan book over the forecast period would result in a 50% decrease in the value of EDF.

- Key external valuation drivers included the discount rate, which comprises external valuation drivers such as the risk-free rate, the market risk premium and the extent to which movements in industry peer's shares are correlated to market movements, and the long-term industry rate of growth of 6% (approximated using inflation) used in the terminal value. Company specific risks have been included in the discount rate of the Business of EDF which increases the discount rate and decreases the value of the Business of EDF. The more sensitive of the two key external valuation drivers is the discount rate. A 1% change in the discount rate results in a 7% change in the value of the Business of EDF.
- Using the above valuations, compared the value of the Business of EDF that was disposed of to the consideration receivable.

EFS Zambia

- Key internal valuation drivers for EFS Zambia included growth in the loan book of EFS Zambia which drives the net interest income as well as the timing of loans advanced to customers. The demand for short-term retail finance in Zambia is being driven by difficult economic conditions which in turn drives the growth of the loan book. Therefore the growth in the loan book over the forecast period, which is based on these factors, is the main internal valuation driver for EFS Zambia. A 5% decrease in the loan book over the forecast period results in a 54% decrease in the value of EFS Zambia.
- Key external valuation drivers included the discount rate, which comprises external valuation drivers such as the risk-free rate, the market risk premium and the extent to which movements in industry peer's shares are correlated to market movements, and the long-term industry growth rate of 7.5% which was approximated by using the inflation rate in Zambia. Company specific risks have been included in the discount rate of EFS Zambia which increases the discount rate and decreases the value of EFS Zambia. The more sensitive of the two key external valuation drivers is the discount rate. A 1% change in the discount rate results in a 20% change in the value of the EFS Zambia.
- Using the above valuations, compared the value of EFS Zambia that was disposed of to the consideration receivable.

Sure Choice

- Key internal valuation drivers for Sure Choice included growth in the loan book of Sure Choice which drives the net interest income as well as the timing of loans advanced to customers. There is demand for these loans from government employees in Botswana and there is scope for further growth as Botswana is not over-indebted and can afford to hire more government employees. Therefore the growth in the loan book over the forecast period, which is based on these factors, is the main internal valuation driver for Sure Choice. A 5% decrease in the loan book over the forecast period results in a 9% decrease in the value of Sure Choice.
- Key external valuation drivers included the discount rate, which comprises external valuation drivers such as the risk-free rate, the market risk premium and the extent to which movements in industry peer's shares are correlated to market movements, and the long-term industry growth rate of 3% which was approximated by using the inflation rate in Botswana. Company specific risks have been included in the discount rate of Sure Choice which increases the discount rate and decreases the value of Sure Choice. The more sensitive of the two key external valuation drivers is the long-term industry growth rate. A 1% change in the long-term growth rate results in a 7% change in the value of the Sure Choice.
- Using the above valuations, compared the value of Sure Choice that was disposed of to the consideration receivable.
- Considered other facts and information relevant to concluding this opinion.

Assumptions

Our opinion is based on the following key assumptions:

- current economic, regulatory and market conditions will not change materially;
- none of the entities valued are involved in any material legal proceedings;
- there are no known undisclosed contingencies that could have a material effect on the value of the entities that have been valued;
- for the purposes of this engagement, we assumed the future business of the valued entities to be ongoing under current business plans, expected life and management; and
- relied on the information made available by Ecsponent representatives during the course of forming this opinion.

Limiting conditions

This report and opinion is provided to the board of directors of Ecsponent in connection with and for the purposes of the Transactions. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Ecsponent's shareholders. Should an Ecsponent shareholder be in doubt as to what action to take, he or she should consult an independent advisor.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. While our work has involved an analysis of, *inter alia*, the historical financial information, financial forecasts and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with International Standards on Auditing, this information has, however, been tested for reasonableness.

Where relevant, forward-looking information on Ecsponent relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We accordingly express no opinion as to how closely actual results will correspond to those forecasted.

We have also assumed that the Transactions will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of Ecsponent and we express no opinion on such consequences. We have assumed that all agreements that have been entered into in regard to the Transactions will be legally enforceable.

None of the statements above invalidate the work done as per this opinion and the conclusion of the fairness opinions below.

Independence

In terms of Schedule 5.1(a) of the Listings Requirements, we confirm that we have no material direct or indirect interest in Ecsponent shares or any interest in the Capital Transactions. We further confirm that we have no material direct or indirect interest in the Sure Choice Disposal or the EFS Zambia Subscription.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Transactions.

Opinions

The MyBucks Acquisition

The consideration payable for the acquisition of the 10.002% shareholding in MyBucks is R262 570 000 which will be settled by way of set off against the Loan Account. As the consideration receivable is shares in MyBucks, Merchantec Capital valued the MyBucks shares in order to obtain a fair value of the consideration receivable. Based on the valuation of MyBucks, the valuation range is between €162 387 203 (equal to R2 322 137 005) and €188 720 263 (equal to R2 698 699 763). The value of the 10.002% MyBucks shareholding acquired is between €16 241 968 (equal to R232 620 143) and €18 875 801 (equal to R269 923 950). Given that the MyBucks share has traded at a 30-day, 60-day and 90-day volume weighted average price at 3 February 2017 of €18.05, €17.95 and €18.14 respectively, which equates to a market capitalisation of at least R 2.8 billion, the upper end of the valuation of R2 698 699 763 is a more likely reflection of the value of MyBucks.

Merchantec Capital has considered the terms and conditions as well as the material effects and adverse effects of the MyBucks Acquisition and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the MyBucks Acquisition are fair to Ecsponent shareholders as the consideration payable, being R262 570 000 is within the valuation range of between €16 241 968 (equal to R232 620 143) and €18 875 801 (equal to R269 923 950).

The Clade Disposal

The consideration receivable for the disposal of the Company's loan accounts and 51% shareholding in Clade is R15 500 000. As the consideration payable for the Clade Disposal is shares and loans accounts held by Ecsponent in Clade, Merchantec Capital valued the Clade shares and loan accounts in order to obtain a fair value of the consideration payable. Based on the valuation of Clade, the valuation range is between R15 798 451 and R18 360 362 (with the midpoint being R17 079 406). The value of the 51% Clade shareholding disposed of is between R8 057 210 and R9 363 785 (with the midpoint being R8 710 497).

Merchantec Capital has considered the terms and conditions as well as the material effects and adverse effects of the Clade Disposal and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Clade Disposal are fair to Ecsponent shareholders as the fair value of the consideration receivable of R15 500 000, is greater than the consideration payable, being the 51% of the shareholding in Clade at between R8 057 210 and R9 363 785 and the loan at R2 154 209.

The ECS Holdings Disposal

The consideration receivable for the disposal of the 70% shareholding in ECS Holdings and the Company's loan accounts is P34 000 000 (equal to R42 840 000 as at the Last Practicable Date). As the consideration payable for the ECS Holdings Disposal is shares and loan accounts held by Ecsponent in ECS Holdings, Merchantec Capital valued the ECS Holdings shares and loan accounts in order to obtain a fair value of the consideration payable. Based on the valuation of ECS Holdings, the valuation range is between P32 154 107 (equal to R40 514 175) and P37 368 286 (equal to R47 084 041) (with the midpoint being P34 761 197 (equal to R43 799 108)). The value of the 70% ECS Holdings shareholding disposed of is between P22 507 875 (equal to R28 359 922) and P26 157 801 (equal to R32 958 829) (with the midpoint being P24 332 838 (equal to R30 659 376)) and the value of the loan accounts disposed of on a Pula for Pula basis is P28 455 182 (equal to R35 853 529). The total value disposed of is thus between P50 963 057 (equal to R64 213 452) and P54 612 983 (equal to R68 812 358).

Merchantec Capital has considered the terms and conditions as well as the material effects and adverse effects of the ECS Holdings Disposal and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the ECS Holdings Disposal are not fair to Ecsponent shareholders as the fair value of the consideration receivable of P34 000 000 (equal to R42 840 000 as at the Last Practicable Date), is lower than the total value disposed of which is between P50 963 057 (equal to R64 213 452) and P54 612 983 (equal to R68 812 358). Shareholders should, however, take into account the fact that despite the Merchantec Capital adjustments, there is still risk inherent in achieving the forecasts as well as the associated time it takes to achieve those forecasts.

The EDF Disposal

The consideration receivable for the disposal of the Business of EDF is R120 150 000. As the consideration payable for the EDF Disposal is the Business of EDF, Merchantec Capital valued the Business of EDF in order to obtain a fair value of the consideration payable. Based on the valuation of the Business of EDF, the valuation range is between R95 742 651 and R111 268 486 (with the midpoint being R103 505 568).

Merchantec Capital has considered the terms and conditions as well as the material effects and adverse effects of the EDF Disposal and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the EDF Disposal are fair to Ecsponent shareholders as the consideration receivable of R120 150 000, is greater than the fair value range the Business of EDF being between R95 742 651 and R111 268 486.

The EFS Zambia Subscription

A total of 1 500 000 EFS Zambia shares are to be issued for a consideration of ZMW7 500 000 (equal to R10 200 000 as at the Last Practicable Date) which equates to a share issue price of ZMW5 (equal to R6.80 as at the Last Practicable Date) per share. Merchantec Capital valued the 500 000 shares currently in issue at a valuation range of between ZMW2.87 per share (equal to R3.90) and ZMW3.33 per share (equal to R4.53) (with the midpoint being ZMW3.1 per share (equal to R4.22)).

Merchantec Capital has considered the terms and conditions as well as the material effects and adverse effects of the EFS Zambia Subscription and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the EFS Zambia Subscription are fair to Ecsponent shareholders as the issue price of ZMW5 per share (equal to R6.80) is greater than the fair value range per share of between ZMW2.87 (equal to R3.90) and ZMW3.33 (equal to R4.53).

The Sure Choice Disposal

The consideration receivable for the disposal of the Company's loan accounts and 50% shareholding in ECS Holdings is P10 000 000 (equal to R12 600 000 as at the Last Practicable Date). As the consideration payable for the Sure Choice Disposal is shares and loan accounts held by Ecsponent in Sure Choice, Merchantec Capital valued the Sure Choice shares and loan accounts in order to obtain a fair value of the consideration payable. Based on the valuation of Sure Choice, the valuation range is between P19 316 903 (equal to R24 339 298) and P22 449 374 (equal to R28 286 211) (with the midpoint being P20 883 139 (equal to R26 312 755)). The value of the 50% Sure Choice shareholding disposed of is between P9 658 452 (equal to R12 169 649) and P11 224 687 (equal to R14 143 106) (with the midpoint being P10 441 569 (equal to R13 156 378)).

Merchantec Capital has considered the terms and conditions as well as the material effects and adverse effects of the Sure Choice Disposal and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Sure Choice Disposal are fair to Ecsponent shareholders as the fair value of the consideration receivable of P10 000 000 (equal to R12 600 000 as at the Last Practicable Date), falls within the valuation range of the consideration payable, being the 50% of the shareholding in Sure Choice being between P9 658 452 (equal to R12 169 649) and P11 224 687 (equal to R14 143 106).

Subsequent developments may affect these opinions, which we are under no obligation to update, revise or re-affirm.

Consent

We consent to the inclusion of this letter and reference to our opinions in the circular to be issued to shareholders in the form and context in which they appear.

Yours faithfully

Marcel Goncalves CA(SA)

Director

MERCHANTEC CAPITAL

2nd Floor, North Block, Hyde Park Office Tower

Cnr 6th Road and Jan Smuts Ave

Hyde Park

2196"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF ECS HOLDINGS

"The Directors

Ecsponent Holdings Proprietary Limited

Acacia House

Green Hill Village Office Park

Cnr of Nentabos and Botterklapper Street

The Willows

Pretoria East

0181

24 February 2017

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF ECSPONENT HOLDINGS PROPRIETARY LIMITED ("ECS HOLDINGS") FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND THE YEAR ENDED 31 DECEMBER 2015.

At your request and for the purposes of the Circular to be dated on or about 1 March 2017 ("the Circular"), we present our report on the historical financial statements of ECS Holdings for the six months ended 30 June 2016 and the year ended 31 December 2015 in compliance with the JSE Listings Requirements.

Directors responsibility for the Historical Financial Statements

The directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical financial statements in accordance with International Financial Reporting Standards and the JSE Listings Requirements for the six months ended 30 June 2016 and the year ended 31 December 2015. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of historical financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' responsibility

Our responsibility is to express a review conclusion on the historical financial information of ECS Holdings for the six months ended 30 June 2016 and an opinion on the historical financial statements of ECS Holdings for the years ended 31 December 2015, included in the Circular, based on our review of the historical financial statements for the six months ended 30 June 2016 and the audit of the historical financial statements for the years ended 31 December 2015.

Scope of the review

We conducted our review of the historical interim financial information the six months ended 30 June 2016 in accordance with the International Standards on Review Engagements 2410, "review of interim financial information". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical interim financial information is free of material misstatement. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the historical interim financial information of ECS Holdings for six months ended 30 June 2016 is not fairly prepared, in all material respects, for the purposes of the Circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Scope of the audit

We conducted our audit, in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the historical financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's

preparation and fair presentation of the historical financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the historical financial statements for the year ended 31 December 2015 presents fairly, in all material respects, for the purposes of the Circular, the financial position of ECS Holdings for the years ended 31 December 2015 at that date and the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the Circular in the form and context in which it appears.

Yours faithfully

Nexia SAB&T

Registered Auditors

Per: **A Darmalingam**

Reporting accountant and director

119 Witch-Hazel Avenue
Highveld Technopark
Centurion"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SANCEDA BOTSWANA

"The Directors

SANCEDA BOTSWANA Proprietary Limited

Acacia House

Green Hill Village Office Park

Cnr of Nentabos and Botterklapper Street

The Willows

Pretoria East

0181

24 February 2017

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SANCEDA BOTSWANA PROPRIETARY LIMITED ("SANCEDA BOTSWANA") FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND THE YEAR ENDED 31 DECEMBER 2015.

At your request and for the purposes of the Circular to be dated on or about 1 March 2017 ("the Circular"), we present our report on the historical financial statements of Sanceda Botswana for the six months ended 30 June 2016 and the year ended 31 December 2015 in compliance with the JSE Listings Requirements.

Directors' responsibility for the Historical Financial Statements

The directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical financial statements in accordance with International Financial Reporting Standards and the JSE Listings Requirements for the six months ended 30 June 2016 and for the year ended 31 December 2015. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of historical financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' responsibility

Our responsibility is to express a review conclusion on the historical financial information of Sanceda Botswana for the six months ended 30 June 2016 and an audit opinion on the historical financial statements of Sanceda Botswana for the year ended 31 December 2015, included in the Circular, based on our review of the historical financial statements for the six months ended 30 June 2016 and the audit of the historical financial statements for the year ended 31 December 2015.

Scope of the review

We conducted our review of the historical interim financial information for the six months ended 30 June 2016 in accordance with the International Standards on Review Engagements 2410, "review of interim financial information". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical interim financial information is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the historical interim financial information of Sanceda Botswana for the six months ended 30 June 2016 is not fairly prepared, in all material respects, for the purposes of the Circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act and the JSE Listings Requirements.

Scope of the audit

We conducted our audit, in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the historical financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's

preparation and fair presentation of the historical financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the historical financial statements for the year ended 31 December 2015 presents fairly, in all material respects, for the purposes of the Circular, the financial position of Sanceda Botswana for the year ended 31 December 2015 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, the JSE Listings Requirements and the requirements of the Companies Act.

Consent

We consent to the inclusion of this report and the reference to our conclusion and audit opinion in the circular in the form and context in which it appears.

Yours faithfully

Nexia SAB&T

Registered Auditors

Per: **A Darmalingam**

Reporting accountant and director

119 Witch-Hazel Avenue
Highveld Technopark
Centurion"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE BUSINESS OF EDF

"The Directors

Ecsponent Development Fund Proprietary Limited

Acacia House
Green Hill Village Office Park
Cnr of Nentabos and Botterklapper Street
The Willows
Pretoria East
0181

24 February 2017

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CARVE-OUT HISTORICAL FINANCIAL INFORMATION OF ECSPONENT DEVELOPMENT FUND PROPRIETARY LIMITED'S ("EDF") VENDOR FINANCE BUSINESS ("THE BUSINESS") FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014.

At your request and for the purposes of the Circular to be dated on or about 1 March 2017 ("the Circular"), we present our report on the carve-out historical financial statements of the Business for the six months ended 30 June 2016 and the years ended 31 December 2015 and 31 December 2014 in compliance with the JSE Listings Requirements.

The carve-out historic financial information for the Business has been extracted from the financial results of EDF on 30 June 2016, and from the financial results of Ecsponent Investment Holdings Proprietary Limited ("EIH") prior to 30 June 2016, and has been combined to present one set of historic financial statements for the Business. This is as a result of the Business being acquired by EDF on 30 June 2016 from EIH."

Directors' responsibility for the Carve-out Historical Financial Statements

The directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the carve-out historical interim financial information in accordance with International Financial Reporting Standards and the JSE Listings Requirements for the six months ended 30 June 2016 and the years ended 31 December 2015 and 31 December 2014. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of historical financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' responsibility

Our responsibility is to express a review conclusion on the carve-out historical interim financial information of the Business for the six months ended 30 June 2016 and an audit opinion on the historical financial statements of the Business for the year ended 31 December 2015 and 31 December 2014, included in the Circular, based on our review of the carve-out historical financial information for the six months ended 30 June 2016 and the audit of the historical financial statements for the years ended 31 December 2015 and 31 December 2014.

Scope of the review

We conducted our review of the carve-out historical interim financial information for the six months ended 30 June 2016 in accordance with the International Standards on Review Engagements 2410, "review of interim financial information". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the carve-out historical interim financial information is free of material misstatement. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the carve-out historical interim financial information of the Business for the six months ended 30 June 2016 is not fairly prepared, in all material respects, for the purposes of the Circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Scope of the audit

We conducted our audit, in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical financial

statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the historical financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the historical financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the historical financial statements for the years ended 31 December 2015 and 31 December 2014 presents fairly, in all material respects, for the purposes of the Circular, the financial position of the Business for the years ended 31 December 2015 and 31 December 2014 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, the JSE Listings Requirements and the requirements of the Companies Act.

We consent to the inclusion of this report and the reference to our opinion in the Circular in the form and context in which it appears.

Yours faithfully

Nexia SAB&T

Registered Auditors

Per: **A. Darmalingam**

Reporting accountant and director

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
Pretoria"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF CLADE

"The Directors

Clade Investment Management Proprietary Limited

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Pretoria East

0181

24 February 2017

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL GROUP FINANCIAL INFORMATION OF CLADE INVESTMENT MANAGEMENT PROPRIETARY LIMITED ("CLADE") FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND FOR THE YEARS ENDED 31 DECEMBER 2015, 28 FEBRUARY 2015 AND 28 FEBRUARY 2014.

At your request and for the purposes of the Circular to be dated on or about 1 March 2017 ("the Circular"), we present our report on the historical group financial statements of Clade for the six months ended 30 June 2016 and for the years ended 31 December 2015, 28 February 2015 and 28 February 2014 in compliance with the JSE Listings Requirements.

Directors' responsibility for the Historical Financial Statements

The directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical group financial statements in accordance with International Financial Reporting Standards and the JSE Listings Requirements for the six months ended 30 June 2016 and for the years ended 31 December 2015, 28 February 2015 and 28 February 2014. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of historical financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' responsibility

Our responsibility is to express a review conclusion on the historical group financial information of Clade for the six months ended 30 June 2016 and an audit opinion on the historical group financial statements of Clade for the years ended 31 December 2015, 28 February 2015 and 28 February 2014, included in the Circular, based on our review of the historical group financial statements for the six months ended 30 June 2016 and the audit of the historical group financial statements for the years ended 31 December 2015, 28 February 2015 and 28 February 2014.

Scope of the review

We conducted our review of the historical interim group financial information for the six months ended 30 June 2016 in accordance with the International Standards on Review Engagements 2410, "review of interim financial information". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical interim group financial information is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the historical interim group financial information of Clade for six months ended 30 June 2016 is not fairly prepared, in all material respects, for the purposes of the Circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Scope of the audit

We conducted our audit, in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the historical financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's

preparation and fair presentation of the historical financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the historical financial statements for the years ended 31 December 2015, 28 February 2015 and 28 February 2014 presents fairly, in all material respects, for the purposes of the Circular, the financial position of Clade for the years ended 31 December 2015, 28 February 2015 and 28 February 2014 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

Consent

We consent to the inclusion of this report and the reference to our audit opinion in the circular in the form and context in which it appears.

Yours faithfully

Nexia SAB&T

Registered Auditors

Per: **A Darmalingam**

Reporting accountant

119 Witch-Hazel Avenue
Highveld Technopark
Centurion"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF EFS ZAMBIA

"The Directors

Ecsponent Financial Services Limited

Acacia House

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Cnr of Nentabos and Botterklapper Street

The Willows

Pretoria East

0181

24 February 2017

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF ECSPONENT FINANCIAL SERVICES LIMITED ("EFS ZAMBIA") FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND THE YEAR ENDED 31 DECEMBER 2015.

At your request and for the purposes of the Circular to be dated on or about 1 March 2017 ("the Circular"), we present our report on the historical financial statements of EFS Zambia for the six months ended 30 June 2016 and the year ended 31 December 2015 in compliance with the JSE Listings Requirements.

Directors' responsibility for the Historical Financial Statements

The directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical financial statements in accordance with International Financial Reporting Standards and the JSE Listings Requirements for the six months ended 30 June 2016 and the year ended 31 December 2015. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of historical financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' responsibility

Our responsibility is to express a review conclusion on the historical financial information of EFS Zambia for the six months ended 30 June 2016 and an opinion on the historical financial statements of EFS Zambia for the years ended 31 December 2015, included in the Circular, based on our review of the historical financial statements for the six months ended 30 June 2016 and the audit of the historical financial statements for the years ended 31 December 2015.

Scope of the review

We conducted our review of the historical interim financial information the six months ended 30 June 2016 in accordance with the International Standards on Review Engagements 2410, "review of interim financial information". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical interim financial information is free of material misstatement. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the historical interim financial information of EFS Zambia for six months ended 30 June 2016 is not fairly prepared, in all material respects, for the purposes of the Circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Scope of the audit

We conducted our audit, in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the historical financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the historical financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the historical financial statements for the year ended 31 December 2015 presents fairly, in all material respects, for the purposes of the Circular, the financial position of EFS Zambia for the years ended 31 December 2015 at that date and the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the circular in the form and context in which it appears.

Yours faithfully

Nexia SAB&T

Registered Auditors

Per: **A. Darmalingam**

Reporting accountant and director

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
Pretoria"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SURE CHOICE

"The Directors

Sure Choice Proprietary Limited

Acacia House

Green Hill Village Office Park

Cnr of Nentabos and Botterklapper Street

The Willows

Pretoria East

0181

24 February 2017

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SURE CHOICE PROPRIETARY LIMITED ("SURE CHOICE") FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013.

At your request and for the purposes of the Circular to be dated on or about 1 March 2017 ("the Circular"), we present our report on the historical financial statements of Sure Choice for the six months ended 30 June 2016 and the years ended 31 December 2015, 2014, 2013 in compliance with the JSE Listings Requirements.

Directors' responsibility for the Historical Financial Statements

The directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical financial statements in accordance with International Financial Reporting Standards and the JSE Listings Requirements for the six months ended 30 June 2016 and the years ended 31 December 2015, 2014, 2013. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of historical financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' responsibility

Our responsibility is to express a review conclusion on the historical financial information of Sure Choice for the six months ended 30 June 2016 and an opinion on the historical financial statements of Sure Choice for the years ended 31 December 2015, 2014, 2013, included in the Circular, based on our review of the historical financial statements for the six months ended 30 June 2016 and the audit of the historical financial statements for the years ended 31 December 2015, 2014, 2013.

Scope of the review

We conducted our review of the historical interim financial information the six months ended 30 June 2016 in accordance with the International Standards on Review Engagements 2410, "review of interim financial information". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical interim financial information is free of material misstatement. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the historical interim financial information of Sure Choice for six months ended 30 June 2016 is not fairly prepared, in all material respects, for the purposes of the Circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Scope of the audit

We conducted our audit, in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the historical financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's

preparation and fair presentation of the historical financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the historical financial statements for the years ended 31 December 2015, 2014, 2013 presents fairly, in all material respects, for the purposes of the Circular, the financial position of Sure Choice for the years ended 31 December 2015, 2014, 2013 at that date and the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the circular in the form and context in which it appears.

Yours faithfully

Nexia SAB&T

Registered Auditors

Per: **A Darmalingam**

Reporting accountant and director

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
Pretoria"

DETAILS OF SUBSIDIARIES

Details of the Company's subsidiaries are set out below:

Name of subsidiary	Date and place of Incorporation	Registration number	Number of shares in issue	% held by Ecsponent
Cryo-Save SA Proprietary Limited (held by Ecsponent Ltd SA)	17 May 2010 South Africa	2010/009754/07	100 000	50
Cryo-Save Namibia Proprietary Limited (held by Cryo-Save SA Proprietary Limited)	8 June 2011 South Africa	2011/0406	100	100
Ecsponent Management Services Ltd (held by Ecsponent Ltd SA)	29 October 2002 South Africa	2002/026858/06	9 880 000	100
Salveo Swiss Technologies Ltd (held by Ecsponent Ltd SA)	24 February 2004 South Africa	2004/004630/06	369 970 339	50
Ecsponent Financial Proprietary Limited (held by Ecsponent Ltd SA)	4 April 2011 South Africa	2011/007072/07	1 000	100
Ecsponent Credit Services Proprietary Limited (held by Ecsponent Ltd SA)	28 July 2010 South Africa	2010/015744/07	100	100
Ecsponent Financial Services Proprietary Limited (held by Ecsponent Ltd SA)	24 April 2006 South Africa	2006/012668/07	10 000 000	100
ECS Holdings Botswana Proprietary Limited (held by Ecsponent Ltd SA)	24 August 2010 Botswana	CO2014/3692	1 000	70
Ecsponent Asset Management Proprietary Limited (held by ECS Holdings Botswana)	27 January 2016 Botswana	CO2016/1545	100	70
Ecsponent Limited Botswana (held by Ecsponent Ltd SA)	26 April 2011 Botswana	CO2010/7658	100	100
Sanceda Collections Botswana Proprietary Limited (held by Ecsponent Ltd Botswana Proprietary Limited)	13 October 2014 Botswana	CO2014/13063	1 000	100
Sure Choice Proprietary Limited (held by Ecsponent Ltd Botswana)	7 May 2013 Botswana	CO2009/2644	1 000	50
ECS Holdings Swaziland Proprietary Limited (held by Ecsponent Ltd SA)	24 February 2015 Swaziland	R7/42655	100	100
Ecsponent Limited (held by ECS Holdings Swaziland Proprietary Limited)	16 July 2013 Swaziland	R7/38733	700 000 000	84.71
Sanceda Collections Swaziland Proprietary Limited (held by Sanceda Collections Proprietary Limited)	2 August 2012 Swaziland	R7/36946	100	51
Sanceda Collections Services Proprietary Limited (Held by Ecsponent Ltd SA)	14 October 2011 South Africa	2011/125932/07	1 000	100
Lazaron Biotechnology Proprietary Limited (held by Ecsponent Ltd SA)	19 August 2011 South Africa	2011/104552/07	1 500	100
Quilibet Trading Proprietary Limited (held by Ecsponent Ltd (SA))	10 June 2015 South Africa	2015/200863/07	100	100
Ecsponent Financial Services Zambia Proprietary Limited (held by Ecsponent Ltd SA)	16 July 2014 Zambia	LCO124263	500 000	100

Name of subsidiary	Date and place of Incorporation	Registration number	Number of shares in issue	% held by Ecsponent
Clade Investment Management Proprietary Limited (held by Ecsponent Ltd SA)	13 September 2004 South Africa	2004/025680/07	1 000	51
Return on Innovation Proprietary Limited (held by Ecsponent Ltd SA)	10 October 2011 South Africa	2011/125942/07	100	51
Ecsponent Development Fund Proprietary Limited (held by Ecsponent Ltd SA)	5 June 2015 South Africa	2015/180072/07	1 000	100
Ecsponent Treasury Services Proprietary Limited (held by Ecsponent Ltd SA)	8 December 2015 South Africa	2015/430938/07	100	100
Ecsponent Biotech Proprietary Limited (held by Ecsponent Ltd SA)	25 February 2016 South Africa	2016/077274/07	100	100
Vitasave Proprietary Limited (held by Ecsponent Biotech)	23 February 2016 South Africa	2016/063753/07	100	51

DIRECTORS' REMUNERATION, BENEFITS AND FEES

1. The total remuneration, benefits and fees paid, or accrued as payable to Directors and former Directors for the interim financial period ended 30 June 2016 is set out below:

Director	Basic salary R	Bonus R	Fees (for services as Director) R	Total R
Executive				
E Engelbrecht	1 264 296	–	–	1 264 296
TP Gregory	1 235 119	2 000 000	–	3 235 119
B Shanahan	617 596	–	–	617 596
DP van der Merwe*	–	–	–	–
Non-executive				
RJ Connellan#	–	200 000	102 000	302 000
K Rayner#	–	200 000	90 000	290 000
B Topham#	–	200 000	90 000	290 000
Total	3 117 011	2 600 000	282 000	5 999 011

#Independent

*Resigned as a Director on 1 December 2015

2. The payments listed above were made by Ecsponent Management Services (Executives), which functions as the management company for the Group, and Ecsponent Limited (Non-executives). No other payments are made by any other subsidiaries, or in any other manner, to Directors.
3. No other remuneration was paid to Directors by way of management, consulting, technical or other fees, directly or indirectly.
4. No amounts were paid to Directors as commissions, gains or as a result of profit sharing arrangements.
5. No post-employment benefits (including pension fund contributions), other long-term benefits or termination benefits were paid or accrue to any Director.
6. No amounts were paid to any Directors by way of an expense allowance.
7. The Company's Remuneration Committee and Shareholders approved a decision to partially settle Directors' fees for the non-executive Directors and Directors' salaries for executive Directors for the 2016 calendar year through the issue of Ordinary Shares to the Directors in lieu of a cash settlement of the fees. The number of Shares to be issued to Directors will be calculated with reference to the 30-day VWAP per Share as at the vesting dates of the Shares, limited to a maximum number of 15 000 000 Shares.
8. Details of the Ordinary Shares issued for the financial period ending December 2016 are set out below:

Director	Date of issue	Number of Shares issued	Price of issue (cents)	Fees/ remuneration package settled
Executive Directors				
T Gregory				
	31 May	7 100 515	18.58	1 319 299
	30 June	155 884	17.87	27 860
	31 July	149 661	18.62	27 860
	31 August	159 066	17.51	27 860
	30 September	179 259	15.54	27 860
	31 October	181 257	15.37	27 860
	30 November	205 779	13.54	27 860
	31 December	205 397	13.56	27 860

Director	Date of issue	Number of Shares issued	Price of issue (cents)	Fees/ remuneration package settled
E Engelbrecht				
	31 May	841 481	18.58	156 350
	30 June	66 024	17.87	11 800
	31 July	63 389	18.62	11 800
	31 August	67 373	17.51	11 800
	30 September	75 925	15.54	11 800
Bryan Shanahan				
	31 July	31 694	18.62	5 900
	31 August	33 686	17.51	5 900
	30 September	37 962	15.54	5 900
	31 October	38 386	15.37	5 900
	30 November	43 579	13.54	5 900
	31 December	86 996	13.56	11 800
Non-executive Directors				
RJ Connellan	31 May	635 080	18.58	118 000
KA Rayner	31 May	635 080	18.58	118 000
BR Topham	31 May	635 080	18.58	118 000

9. Other than the above issue of Shares, no shares, or options or similar rights to acquire/subscribe for Shares have been issued or allotted to Directors, in terms of a share purchase/option scheme or otherwise.

ISSUES AND OFFERS OF SECURITIES IN THE PRECEDING THREE YEARS

AMENDMENTS TO THE AUTHORISED SHARE CAPITAL:

1. CONVERSION OF PAR VALUE SHARES INTO NO PAR VALUE SHARES

During 2013, the Shareholders approved a special resolution to convert the Ordinary Shares with a par value of R.01 each into Ordinary Shares of no par value.

2. CREATION OF ADDITIONAL CLASSES OF PREFERENCE SHARES

At the annual general meeting of the Company held on 25 July 2014, the following Preference Shares were created pursuant to relevant changes to the Company's MOI:

- 1 000 000 000 Class D, cumulative non-participating, variable rate, perpetual preference shares of no par value, at an initial issue price of R100.00 each;
- 1 000 000 000 Class E, cumulative non-participating, perpetual preference shares of no par value, at an initial issue price of R100.00 each; and
- 1 000 000 000 Class F, cumulative non-participating, fixed rate, perpetual preference shares of no par value, at an initial issue price of R100.00 each.

At the annual general meeting of the Company held on 25 August 2015, 1 000 000 000 Class G Preference Shares were created pursuant to the relevant change to the Company's MOI.

3. INCREASE IN AUTHORISED ORDINARY SHARE CAPITAL

On 25 July 2014, Shareholders approved a special resolution to increase the authorised Ordinary Share capital from 1 000 000 000 Ordinary Shares to 2 000 000 000 Ordinary Shares.

On 8 January 2015, Shareholders approved a special resolution to increase the authorised Ordinary Share capital from 2 000 000 000 Ordinary Shares to 1 000 000 000 Ordinary Shares.

AMENDMENTS TO THE ISSUED SHARE CAPITAL:

4. 2014 RIGHTS OFFER

In September 2014, the Company undertook rights offer in terms of which it raised R100 million and issued a total of 454 456 317 Ordinary Shares at 14 cents each. The Shares were offered to all Shareholders in proportion to their shareholdings. The rights offer was underwritten by Capital and no underwriting fee was paid.

The rights offer price represented a discount of 19.81% to the 30-day VWAP of the Shares on 7 November 2013, being the date that the rights offer was initially approved by the Board.

It should be noted that although the above Ordinary Shares were issued at a premium to their par value at the time of issuance, the Shares have subsequently been converted to no par value Shares and accordingly, the entire Share capital and Share premium account has been converted into stated capital on the Statement of Financial Position.

5. ECSPONENT ACQUISITION ISSUE FOR KOMO FINANCE PROPRIETARY LIMITED

ECS issued 3 000 000 Shares to the shareholders of Komo Finance Proprietary Limited on 30 June 2014 for the acquisition of 51% of the share capital of that company, at a price of R1 per Share. The Shares were issued at a premium to the Share price on 30 June 2014 of 15.69 cents per Share, given the Directors' assessment of the value of the Shares at the time.

The interest in Komo Finance Proprietary Limited was valued at R3 million by the Directors at the time of the acquisition. Due to the nature of this issue, the Shares were not offered to all Shareholders in proportion to their existing shareholdings. The interest in Komo Finance Proprietary Limited was subsequently disposed of on 31 July 2015. This is not considered by the Directors to be a material contract.

6. **ISSUE OF SHARES TO DIRECTORS IN LIEU OF REMUNERATION AND DIRECTORS' FEES**

The Company's Remuneration Committee and Shareholders approved a decision to partially settle Directors' fees for the non-executive Directors and Directors' salaries for executive Directors for the 2016 calendar year through the issue of Ordinary Shares *in lieu* of a cash settlement of the fees. Details of the Shares issued, including issue prices and vesting dates, are set out in **Annexure 12**.

All Shares were issued at the 30-day VWAP at the vesting dates and accordingly no discount or premium was applied to the issue price.

7. **SPECIFIC REPURCHASE AND ODD-LOT OFFER**

In March 2016, the Company undertook an odd-lot offer and a specific repurchase of Ordinary Shares at 20.55 cents per Share in order to reduce the ongoing administration costs associated with the Company's large minority Ordinary Shareholder base, as follows:

- an odd-lot offer to repurchase holdings equal to or less than 532 Ordinary Shares ("the Odd-Lot Offer");
- a specific offer to repurchase holdings of more than 532 Ordinary Shares and equal to or less than 10 000 Ordinary Shares ("the Specific Repurchase").

The repurchase price of 20.55 cents per Share was equal to the 30-day VWAP of Ecspontent Shares on 9 March 2016, which was the day immediately prior to the last practicable date in the circular to shareholders dated 31 December 2016, which set out the terms and conditions of the Odd-Lot Offer and Specific Repurchase. Accordingly, no discount or premium was applied to the offer price for the Odd-Lot Offer or the Specific Repurchase.

Total Ordinary Shares repurchased by the Company (through election and expropriation) pursuant to the Odd-Lot Offer equalled 51 476 Ordinary Shares.

Total Ordinary Shares repurchased pursuant to the Specific Repurchase equalled 491 282.

CORPORATE GOVERNANCE STATEMENT

The Group endorses the principles contained in the King III report on corporate governance and confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated therein. The Board strives to ensure that the Group is ethically managed according to prudently determined risk parameters and in compliance with generally.

Two major areas not adopted by Ecsponent include the establishment of an internal audit function, and the fact that the chairman of the Board should not be a member of the audit committee. Shareholders have, however, approved the chairman being a member of the audit committee at the annual general meeting and the necessary disclosure in this regard was made in line with the JSE guidance.

The full register, addressing all the principles of the King III Report and Code on Corporate Governance, including instances of non-compliance, is set out on the Company's website (<http://www.ecsponentlimited.com>), at the following links:

- **King III Register** → <http://www.iodsa-gai.co.za/Reports/Public/ApplicationRegisterPractice.aspx?L=ba16f740-2d92-4241-b2d2-c631428074cb>
- **King III Application register** → <http://www.iodsa-gai.co.za/Reports/Public/ApplicationRegisterPrinciple.aspx?L=ba16f740-2d92-4241-b2d2-c631428074cb>
- **JSE Corporate Governance Listing Requirement** → http://www.iodsa-gai.co.za/Reports/Public/JSE_ListingRequirements.aspx?L=ba16f740-2d92-4241-b2d2-c631428074cb

As a result of the small size of the business and the low volume of transactions, management's focus has been on the design and implementation of controls and no internal audit function had been established. The Group's internal control environment is continually re-evaluated.

The principles discussed below require compliance in terms of the JSE Listings Requirements:

1. POLICY FOR THE APPOINTMENT OF DIRECTORS BOARD

Directors' appointments are made in a formal and transparent manner. At least 50% of directors are elected by Shareholders and the remaining directors are nominated by the Board. A Nominations Committee has been established which assists the Board in considering the appropriateness of appointments. Appointments made by the Board are approved by Shareholders at the annual general meeting of Shareholders.

The Nominations Committee consists of only the non-executive directors, the majority of whom are independent. The Nominations Committee is chaired by RJ Connellan, the chairman of the Board.

2. POLICY EVIDENCING CLEAR BALANCE OF POWER AND AUTHORITY ON THE BOARD

At the Interim period-end, the board comprised six directors – three executives and three independent non-executives.

The non-executive directors were selected based on their experience and skill set and each director provides his independent opinion with no extraneous factors that materially affects their judgement.

There is no one director with unfettered decision-making powers. The roles of the chairman and chief executive office are separated in order to further ensure a balance of power and authority.

If there is an actual or potential conflict of interest, the director concerned, after declaring his/her interest in terms of the Companies Act, is excluded from the related decision-making process.

3. APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Company has appointed E Engelbrecht as its chief executive officer who resigned with effect from 30 September 2016. TP Gregory replaced E Engelbrecht as the CEO of the Group. The role of chairman is fulfilled by RJ Connellan, who is an independent non-executive director.

4. COMMITTEES

Audit Committee

The Company has established an Audit Committee, which met four times in the last financial year, and twice in the interim period ended 30 June 2016.

The Audit and Risk Committee consists off the following members:

Member name	% attendance of meetings
RJ Connellan	100
KA Rayner	100
BR Topham (<i>Chairman</i>)	100

All members are independent non-executive directors. The Board is of the opinion that the current committee constitution is adequate to ensure the governance required. The chief executive officer, the financial director and the external auditors attend meetings of the committee as invitees.

The committee acts in accordance with written terms of reference as confirmed by the Board, which terms set out its authority and duties. The primary mandate of the committee is to ensure the independence of the external auditors, evaluate the Group's systems of internal financial and operational control, review accounting policies and financial information to be issued to the public, facilitate effective communication between the Board, management and the external auditors, recommend the appointment of, and determine the fees payable to the external auditors and determine and approve the level of non-audit services provided by the external auditors.

The committee furthermore approves the audit plan, reviews the interim and annual results before recommending them to the Board for approval and discusses these results and the audit process with the external auditors.

Risk Committee

The Risk Committee met four times during the last financial year, and twice during the interim period ended 30 June 2016. This committee is chaired by BR Topham and comprises the independent non-executive directors. The chief executive officer, financial director and chief operating officer attended the committee meetings as invitees as and when required.

The committee reviewed the critical business, operational, financial and compliance exposures and sustainability issues facing the group, taking into account the severity and probability of occurrence of such risks. The committee resolved to review risk for the period under review as an integral part of all and approving Group insurance policies and deciding on the extent to which the group should retain Audit Committee meetings and ensure that the requisite risk management culture, practices and policies are progressively implemented and continuously monitored.

The committee supports the Board in discharging its responsibility for ensuring that the risks associated with its operations are effectively managed. This is done through, *inter alia*:

- setting out a process for the identification and management of risk and sustainability issues;
- reviewing and assessing any risk management issues;
- considering items of risk, assessing such risks and determining required solutions, and where required, reporting the most significant risks to the board;
- reviewing corporate governance guidelines and implementation; and
- reviewing risk.

Remuneration committee

The remuneration committee comprised entirely of the independent non-executive directors met twice during the last financial period, and twice during the interim period ended 30 June 2016. The committee is chaired by KA Rayner.

The committee will continue to:

- assist the Board in determining the broad policy for executive and senior management remuneration;
- assist the Board in reviewing the remuneration of the executive directors and company secretary;
- and assist the Board in reviewing the non-executive directors' fees.

5. **CURRICULA VITAE AND CATEGORISATION OF EACH DIRECTOR**

Brief curricula vitae of each director standing for election or re-election is included in the notice to the annual general meeting of the Company each year. A brief profile of each director, categorised as an executive, non-executive or independent non-executive director, has been set out in paragraph 14 this Circular.

6. **APPOINTMENT OF EXECUTIVE FINANCIAL DIRECTOR**

The Company has appointed Bryan Shanahan as its full-time executive financial director. The Audit Committee is satisfied that Bryan Shanahan has the necessary and appropriate expertise and experience required of an executive financial director. The Audit Committee assesses the expertise and experience of the financial director on an annual basis and communicates their findings to shareholders annually in the integrated report released by the Company.

7. **COMPANY SECRETARY**

The Board considers on an annual basis, and is satisfied that the Company Secretary, Dirk van der Merwe, has the necessary and appropriate competence, qualifications and experience. This is communicated to shareholders annually in the integrated report released by the Company.

The Company Secretary is not a director of the Company. An arm's length relationship is maintained between the Board and the Company Secretary.

During the last review period the Board assessed the company secretary's competence in relation to sections 3.84(i), 4.8(c) and 7.F.6(i) of the Listings Requirements including:

- proficiency in the administration of the Board's affairs;
- adherence to the MOI;
- regulatory administration of annual financial statements and returns; and
- ability to provide guidance to the Board in respect of relevant law and duties and responsibilities of the Board.

8. **GENDER DIVERSITY**

The Company currently has no female representation on the Board. Although the Board, through its Nominations Committee, is aware of the need to promote gender representation, the directors believe that the composition of a Board that provides effective leadership is to driven by a wide variety of factors, and not merely arbitrary gender quotas. Accordingly, each individual Board member is selected based on skills, experience, industry knowledge, independence and integrity, and the Board does not prioritise gender above these factors.

The Company does not currently have a formal policy regarding the representation of women on its Board, however, the Board, through its Nominations Committee, will be mindful of the advantages of gender diversity in setting its nominations policies going forward.

The Company will continue to monitor its gender diversity and disclose the results to the Shareholders on an annual basis.

SHARE TRADE HISTORY OF ECSPONENT SHARES

Set out in the table below are the aggregate volumes and values and the highest and lowest prices traded in the Company's Ordinary Shares in respect of:

- each day over the 30-trading days preceding the Last Practicable Date; and
- each month over the 12 months prior to the date of issue of this Circular.

Daily	High (cents)	Low (cents)	Volume	Value (Rand)
2017				
6 February	12	12	41 665	5 000
3 February	13	13	74 000	9 620
2 February	–	–	–	–
1 February	14	10	12 500	1 550
31 January	11	10	165 487	17 546
30 January	11	11	121 935	13 413
27 January	11	11	108 979	11 988
26 January	13	10	200 100	20 468
25 January	13	10	282 505	29 148
24 January	13	10	413 365	45 268
23 January	13	12	72 518	8 732
20 January	13	12	74 018	9 132
19 January	13	13	131 862	17 142
18 January	13	13	400 000	52 000
17 January	14	14	140 715	19 700
16 January	16	13	386 000	54 050
13 January	13	12	51 900	6 283
12 January	–	–	–	–
11 January	15	12	192 189	25 123
10 January	15	15	300	45
9 January	15	13	398 935	52 101
6 January	14	14	5 000	700
5 January	14	13	8 500	1 150
4 January	–	–	–	–
3 January	14	14	6 733	943
2016				
30 December	14	14	4 000	560
29 December	14	13	201 860	27 960
28 December	14	12	56 508	7 197
23 December	–	–	–	–
22 December	14	14	20 000	2 800
Monthly				
2016				
December	17	11	2 646 394	359 861
November	16	12	1 715 022	230 220
October	17	14	642 652	97 071
September	18	14	1 506 693	232 786
August	19	15	843 381	148 516
July	23	15	2 202 749	413 329
June	20	16	1 792 655	322 670
May	19	16	1 726 137	303 482
April	21	18	3 882 861	746 655
March	22	19	5 403 779	1 085 788
February	22	18	1 707 701	345 494
January	24	17	5 587 646	1 138 936
December	17	11	2 646 394	359 861

SALIENT TERMS OF THE LOCK-UP PROVISION

Salient terms of the Lock-Up Agreement are indicated below:

Restrictions on the transfer and sale of MyBucks Shares:

Projects may not without the consent of Hauck & Aufhäuser:

- (a) offer, pledge, allot, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, charge, assign, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Restricted Shares or any securities of the Company, including securities convertible into, substantially similar to or exercisable or exchangeable for, Restricted Shares (or any interest therein or in respect thereof) or any rights arising from or attaching to any such Restricted Shares at any time;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Restricted Shares; or
- (c) enter into any other transaction with the same economic effect as, or agree to do, or announce or otherwise publicise the intention to do any of the foregoing described in (a) and (b) above, whether any such transaction is to be settled by delivery of Restricted Shares or such other securities, in cash or otherwise, other than as provided for in the prospectus issued by MyBucks on its listing on the Frankfurt Stock Exchange.

Hauck & Aufhäuser may waive the above lock-up undertakings during the restricted period in full or in part in its absolute discretion.

Transactions excluded from the lock-up arrangement:

The following actions are not restricted:

- (a) transferring any restricted MyBucks Shares to another existing shareholder of the Company;
- (b) transferring any restricted MyBucks Shares to any person controlling the Shareholder, under common control with the Shareholder or which the Shareholder controls, provided that the recipient of such transfer assumes, by written confirmation to the Sole Global Coordinator, the obligations of the Shareholder hereunder for the then remaining term of this undertaking;
- (c) doing anything in respect of any Shares acquired by the Shareholder after the first day of trading of the Shares on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*); accepting a public takeover offer to all shareholders of the Company pursuant to the applicable provisions of Luxembourg and German takeover law for all issued Shares or executing and delivering an irrevocable undertaking or commitment to accept such an offer; (e) selling or otherwise disposing of restricted MyBucks Shares pursuant to any offer by the Company to purchase its own shares which is made on identical terms to all holders of shares in the Company;
- (d) selling or otherwise disposing of restricted MyBucks Shares pursuant to a regulatory requirement by BaFin or CSSF;
- (e) in the case of a Shareholder that is an individual, transferring of restricted MyBucks Shares to a member of such Shareholder's family or to trustees for the Shareholder or for such family member or to effect the appointment of a new trustee, or to a beneficiary of a settlement in accordance with the terms of any trust established by the Shareholder or any such family member, provided in each case that recipient of such transfer assumes, by written confirmation to the Sole Global Coordinator, the obligations of the Shareholder hereunder for the then remaining term of this under-taking. For these purposes, the Shareholder's family are (i) the Shareholder's spouse or civil partner, (ii) any other person (whether of a different sex or the same sex) with whom the Shareholder lives as partner in an enduring family relationship (other than the Shareholder's grandparents, grandchildren, sisters, brothers, aunts, uncles, nephews or nieces), (iii) the Shareholder's children or step-children, (iv) any children or step-children of a person within paragraph (ii) above (and who are not children or step-children of the Shareholder) who live with the Shareholder and have not attained the age of 18, and (v) the Shareholder's parents; or
- (f) selling or otherwise disposing of any rights granted in respect of a rights issue or other pre-emptive share offering by the Company.

The lock-up period

The shares will be locked up for a period of 12 months from the date of trading of the MyBucks shares, being 1 June 2015; and for a further six-month period thereafter.

DETAILS OF PREVIOUS DIRECTORSHIPS

Previous directorships held by the Directors in the previous five years are set out below:

Director	Company/ Partnership name	Status
Richard John Connellan	Repin Investments (Pty) Limited	Dormant – to be deregistered
Keith Alfred Rayner	Keidav Properties Proprietary Limited	Active
	Sabi Gold Proprietary Limited	Active
	Appropriate Process Technologies Proprietary Limited	Active
	Sibanye Gold Mining Ltd	Active
	Nexus Intertrade Proprietary Limited	Active
	2 Quins Engineered Business Information Proprietary Limited	Active
Brandon Rodney Topham	Seesa Proprietary Limited	Active
	Seesa Holdings (Pty) Limited	Active
	TAG Employee Fund Administrators Proprietary Limited	Active
	TAG Consulting Gauteng Proprietary Limited	Active
	TAG Investments Proprietary Limited	Active
	TAG Flexible Plastic Proprietary Limited	Active
	Compadre Caliente Proprietary Limited	Active
	Revenue Forensics Proprietary Limited	Active
	Dykefeld Country Estate	Active
	Bunker Hills Investments 483	Active
	Expectra 51	Active
Terence Patrick Gregory	Forge Media Investments Limited	Active
	Evolinx Proprietary Limited	Active
	Lazaron Biotechnologies Proprietary Limited	Active
	Salveo Swiss Technologies Limited	Active
	Ecsponent Management Services Limited	Active
	Ecsponent Biotech Proprietary Limited	Active
	Cryo-Save Proprietary Limited	Active
	Ecsponent Credit Services Proprietary Limited	Active
	Ecsponent Financial Proprietary Limited	Active
	Ecsponent Procurement Services Proprietary Limited	Active
	Ecsponent Development Fund Proprietary Limited	Active
	Return on Innovation Proprietary Limited	Active
	Sanceda Collection Services Proprietary Limited	Active
	JDH Property Proprietary Limited	Non-active
	Busicor Automotive Import and Distribution Proprietary Limited	
Bryan Shanahan	Zhammalec Investments Proprietary Limited	Active
Eunè Engelbrecht	Ecsponent Capital (RF)	Active
	Ecsponent Business Finance	Active
	Ecsponent Procurement Services	Active
	Ecsponent Investment Holdings	Active
	Ecsponent Investment Holdings (Botswana)	Active
	Ecsponent Asset Management	Active
	Ecsponent Administrators	Active
	Tirisano SME Investments	Active
	Tirisano SME Administrators	Active
	Komo Finance	Active
Patrick Matute	Dawn Properties Ltd	Active

INTER-COMPANY TRANSACTIONS AND BALANCES

The material inter-company financial and other transactions and inter-company balances before elimination on consolidation, as at 30 June 2016, being the Group's last reporting date, are set out below:

	2016 R'000
Related party balances	
Loan accounts – Owning (to)/by related parties	
Ecsponent Capital (RF) Limited	247 082
Ecsponent Capital (RF) Limited	(1 082)
Ecsponent Investment Holdings Proprietary Limited	114 282
Ecsponent Investment Holdings Proprietary Limited	(118 957)
Ecsponent Business Finance Proprietary Limited	7 726
Ecsponent Projects Proprietary Limited	(684)
Amounts included in Trade receivable/(Trade Payable) regarding related parties	
Ecsponent Capital (RF) Limited	4 015
Ecsponent Capital (RF) Limited	(113)
Ecsponent Investment Holdings Proprietary Limited	1 373
Ecsponent Investment Holdings Proprietary Limited	(218)
Ecsponent Business Finance Proprietary Limited	41
Ecsponent Business Finance Proprietary Limited	(549)
Related party transactions	
Interest (received from)/paid to related parties	
Ecsponent Capital (RF) Limited	(26 304)
Ecsponent Investment Holdings Proprietary Limited	(20 400)
Administration fees paid to (received from) related parties	
Ecsponent Capital (RF) Limited	(630)
Ecsponent Investment Holdings Proprietary Limited	(780)
Return on Innovation Proprietary Limited	(216)
Commission paid to (received from) related parties	
Ecsponent Business Finance Proprietary Limited	(1 114)
Ecsponent Investment Holdings Proprietary Limited	(500)
Recoveries paid to (received from) related parties	
Ecsponent Capital (RF) Limited	(2 844)
Ecsponent Business Finance Proprietary Limited	(40)
Ecsponent Investment Holdings Proprietary Limited	(37)
Return on Innovation Proprietary Limited	117



Ecsponent Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1998/013215/06)
 JSE share code: ECS ISIN: ZAE000179594
 ("the Company" or "Ecsponent")

REVISED LISTING PARTICULARS

PREPARED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE

The definitions and interpretations contained in the Circular of which these Revised Listing Particulars form part, apply throughout this document.

The Corporate Information relative to the Company is provided in the inside front cover of the Circular.

These Revised Listing Particulars are not an invitation to the public to subscribe for Shares in Ecsponent but are issued for the purpose of giving information to Ecsponent Shareholders as the MyBucks Acquisition constitutes a reverse take-over in terms of the Listings Requirements. Having approved the Circular, to which these Revised Listing Particulars form part, the JSE has confirmed that it is satisfied that the Company continues to qualify for a listing on the Main Board of the JSE as if it is a new listing.

These Revised Listing Particulars have been prepared in compliance with the Listings Requirements and on the assumption that the resolutions proposed in the notice of General Meeting included in the Circular of which these Revised Listing Particulars form part, will be passed at the General Meeting of Ecsponent Shareholders to be held on Thursday, 30 March 2017 and that the proposed Transactions and the Specific Issue giving rise to these Revised Listing Particulars will be implemented.

The Company's Share capital is as follows:

Authorised	R'000
Ordinary Shares	
1 000 000 000 Ordinary Shares of no par value	No par value
Preference Shares	
1 000 000 000 Class A Preference Shares	No par value
1 000 000 000 Class B Preference Shares	No par value
1 000 000 000 Class C Preference Shares	No par value
1 000 000 000 Class D Preference Shares	No par value
1 000 000 000 Class E Preference Shares	No par value
1 000 000 000 Class F Preference Shares	No par value
1 000 000 000 Class G Preference Shares	No par value
Issued after the Rights Offer and Specific Issue	
1 277 125 684 Ordinary Shares of no par value	175 704
413 815 Class A Preference Shares	39 038
1 471 470 Class B Preference Shares	147 147
4 641 328 Class C Preference Shares	464 133

No securities are held in treasury.

Directors' responsibility statement

The Directors, whose names appear on the inside front cover of the Circular, accept, collectively and individually, full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement herein false or misleading, and that they have made reasonable enquiries to ascertain such facts and that this document contains all information required by law and the Listings Requirements.

Sponsor and Corporate Advisor



Independent Expert



Reporting Accountants



Date of issue: 1 March 2017

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Ecsponent Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1998/013215/06)
 JSE share code: ECS ISIN: ZAE000179594
 ("the Company" or "Ecsponent")

REVISED LISTING PARTICULARS

1. HISTORY AND PROSPECTS

- 1.1 An overview of the business, the history and the prospects of the Group is set out in paragraph 2 of the Circular.
- 1.2 Details of subsidiaries in the Group are set out in **Annexure 11** of the Circular, including their names, dates and places of incorporation, registration numbers and issued share capital.
- 1.3 An overview of the business, the history and the prospects of MyBucks are set out in paragraph 8 of the Circular.

2. DIRECTORS AND DIRECTORS' INTERESTS

2.1 Directors

Information relating to the Directors is set out below. Details of directorships and/or partnerships held by the Directors of Ecsponent during the past five years are set out in **Annexure 17** of the Circular.

Name and function	Business address	Brief Profile
Richard John Connellan <i>Independent Non-Executive Chairman</i>	2 Larnica Villas 251 Willson Street Fairland Johannesburg 2195	<p>Richard is a Fellow of the Institute of Chartered Secretaries and Administrators, as well as an elected member of the South African Institute of Stockbrokers (non-broking).</p> <p>Richard provides the Group with a wealth of experience and is a well-respected figure in the South African listed environment. He was the executive director of the Takeover Regulations Panel (formerly the Securities Regulation Panel), a position he held with distinction after many years of service at the JSE. He was a member of the King Task Group into Insider Trading Legislation, a member of the King III Committee on Corporate Governance (chairman of the takeovers and mergers sub-committee) and was a member of the Standing Advisory Committee on Company Law.</p> <p>He is a member of all Board committees and is chairman of the Social and Ethics Committee and Nominations Committee.</p>

Name and function	Business address	Brief Profile
<p>Keith Alfred Rayner <i>Independent Non-Executive</i></p>	<p>6 Carmel Place 53 Melrose Street Melrose Estate Johannesburg 2196</p>	<p>Keith is a South African Chartered Accountant with a wealth of experience in corporate finance. He is CEO of KAR Presentations, an advisory and presentation corporation, which specialises in corporate finance and regulatory advice and presentations. Advice and presentations include, <i>inter alia</i>, the JSE Listings Requirements, FMA, Companies Act, Governance, Takeover law, corporate action strategy, valuation theory and practice, IFRS and various directors' courses. He is an independent non-executive director of two JSE-listed companies and is a director of a number of private companies.</p> <p>Keith is a member of the JSE Issuer Regulation Advisory Committee and is a Fellow of the Institute of Directors of South Africa, a non-broking member of the South African Institute of Stockbrokers and a member of the Investment Analysts Society. Keith is a past member of the SAMREC/SAMVAL working group, the Takeover Regulation Panel's rewrite committee, the IOD's CRISA committee and SAICA's Accounting Practices Committee.</p> <p>He is a member of all Board committees and chairman of the Remuneration Committee.</p>
<p>Brandon Rodney Topham <i>Independent Non-Executive</i></p>	<p>100A Club Avenue, Waterkloof Ridge Pretoria 0181</p>	<p>Brandon is a qualified Chartered Accountant and Attorney of the High Court of South Africa. He holds B Compt (Hons), BProc and LLM degrees. He is a member of the Institute of Directors in South Africa, an Associate Member of both the Institute of Chartered Management Accountants (UK) and of the Institute of Chartered Accountants in England & Wales (non-practising). He is also an admitted Solicitor in England and Wales and a Certified Fraud Examiner (USA).</p> <p>He is a member of all Board committees and chairman of the Audit and Risk Committee.</p>
<p>Terence Patrick Gregory <i>Chief Executive Officer</i></p>	<p>Acacia House Green Hill Village Office Park Cnr of Nentabos and Botterklapper Street The Willows Pretoria East 0181</p>	<p>Terence is a business executive with many years of board level experience in both the corporate and SME environments. Terence has previously been employed by prestigious organisations such as Mercedes-Benz SA, AFGRI, Imperial and McCarthy and as an entrepreneur was responsible for the development in South Africa of the Citroen and SsangYong organisations. He is a strategy and turnaround specialist with a track record of successful turnaround engagements.</p> <p>He is a member of the Social and Ethics Committee.</p>

Name and function	Business address	Brief Profile
Bryan Shanahan <i>Group Financial Director</i>	Acacia House Green Hill Village Office Park Cnr of Nentabos and Botterklapper Street The Willows Pretoria East 0181	<p>Bryan is a qualified Chartered Accountant with experience across a wide range of industries and organisations. He held the position as audit manager with one of the big four international auditing firms and moved on to become part of the executive management team of a large manufacturing group operating in Africa, responsible for the group's financial processes, reporting and project financing reviews.</p> <p>Bryan's experience includes financial statement audits and financial reporting for a wide range of entities, governance and control assessments, company turnaround projects, mergers and acquisitions, risk management and exposure to corporate finance disciplines.</p> <p>He was appointed the Group's Financial Director in December 2015.</p> <p>He is a member of the Social and Ethics Committee.</p>
Eunè Engelbrecht <i>Non-Executive Director</i>	Acacia House Green Hill Village Office Park Cnr of Nentabos and Botterklapper Street The Willows Pretoria East 0181	<p>In December 2015, Eunè resigned as the CEO of Capital, the major shareholder of the Company, to become CEO of the Company. Eune resigned as CEO on 30 September 2016 and retained a position as non-executive director for the Group.</p> <p>Prior to joining Capital, Euné was the head of Blue Financial Services Corporate Finance division where he was involved in fundraising at a corporate level. The division was responsible for securing continuous and affordable funding from global private equity funds, investment banks and development funding institutions. He was also responsible for acquisitions and expansion-related activities.</p> <p>He is a member of the Social and Ethics Committee.</p>
Patrick Matute <i>Non-Executive Director</i>	Acacia House Green Hill Village Office Park Cnr of Nentabos and Botterklapper Street The Willows Pretoria East 0181	<p>Patrick is a seasoned investment professional with experience in corporate finance advisory and private equity. He is well-known and respected in the South African and African financial markets, with many years' experience in finance and equity. Additionally, he has more than nine years' experience in mining resources and general corporate finance in sub-Saharan Africa.</p>
Dirk van der Merwe <i>Company Secretary</i>	Acacia House Green Hill Village Office Park Cnr of Nentabos and Botterklapper Street The Willows Pretoria East 0181	<p>Dirk was the Group Financial Director from September 2010 until November 2015 and therefore has an in-depth knowledge of the Ecspontent Group. Dirk is a qualified Chartered Accountant and a certified information systems auditor (non-practising). Before joining the Group in 2010 he gained experience in a wide range of industries and organisations during his 17-year career which included 10 years at KPMG.</p>

2.2 Mr Patrick Matute is a Zimbabwean citizen and all the other Directors are South African citizens.

2.3 **None of the Directors have:**

- 2.3.1 been a director of a company that has been put into liquidation or been placed under business rescue proceedings or had an administrator or other executor appointed during the period when he was (or within the preceding 12 months had been) one of its directors, or alternate directors or equivalent position;
- 2.3.2 themselves or any company of which they were a director or an alternate director or officer at the time of the offence, been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;

- 2.3.3 been removed from an office of trust, on grounds of misconduct, involving dishonesty;
 - 2.3.4 been disqualified by a court from acting as a director of a company or from acting in management or conduct of the affairs of any company;
 - 2.3.5 been convicted of an offence resulting from dishonesty, fraud, theft, perjury, misrepresentation or embezzlement;
 - 2.3.6 been adjudged bankrupt or sequestered in any jurisdiction;
 - 2.3.7 been a party to a scheme of arrangement (other than pursuant to a merger or restructure) or made any other form of compromise with his creditors;
 - 2.3.8 been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;
 - 2.3.9 had any court grant an order declaring him to be a delinquent or placed such director under probation in terms of section 162 of the Companies Act and/or 47 of the Close Corporation Act, 1984 (Act No 69 of 1984) of South Africa;
 - 2.3.10 been barred from entry into any profession or occupation;
 - 2.3.11 been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;
 - 2.3.12 received any official public criticisms by any statutory or regulatory authorities (including recognised professional bodies);
 - 2.3.13 entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event; or
 - 2.3.14 entered into receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event.
- 2.4 **Changes in the directorate during the past 18 months:**
- 2.4.1 Mr E Engelbrecht resigned as CEO effective 30 September 2016 and retained a seat on the Board as a non-executive Director.
 - 2.4.2 Mr DP van der Merwe resigned from the Board with effect from 1 December 2015.
- 2.5 **Directors' interests**
- The Directors' interests in securities are set out in paragraph 15 of the Circular.
- 2.6 **Directors' interests in transactions**
- The Directors' interests in transactions are set out in paragraph 16 of the Circular.
- 2.7 **Directors' emoluments**
- Details of the Directors' emoluments are set out in paragraph 18, and **Annexure 12** of the Circular.
- 2.8 **Directors' service contracts**
- 2.8.1 None of the Directors have fixed-term service contracts with the Company. Each executive Director has entered into an employment contract which incorporates the normal terms of an employment contract for an executive director, including a notice period applicable to termination of employment.
 - 2.8.2 Directors are nominated by the Board, through a Nominations Committee, and appointments of Directors are approved by Shareholders at the annual general meeting of the Company. No person has any additional right to appoint any Directors.
 - 2.8.3 None of the Directors of the Company or any of its major subsidiaries are subject to restraints of trade.
 - 2.8.4 Further information on qualifications, retirement, remuneration, and borrowing powers of Directors is set out in clause 26.3 28 and 31 of the MOI. Refer to paragraph 37 of the Circular for documents incorporated by reference.
 - 2.8.5 A monthly retainer of R25 000, excluding VAT, is payable for outsourced company secretarial services to the company secretary. The company secretary is not a director of the Company.
 - 2.8.6 There are no contracts entered into, or proposed to be entered into, by the Company or any of its major subsidiaries for technical fees.

3. **SHARE CAPITAL**

Details of the Company's Share capital are set out on the front cover of this document.

3.1 **Alterations to Share capital**

The details of all alterations to Share capital and issues or offers of securities during the past three years are disclosed in **Annexure 13** of the Circular.

3.2 **Rights attaching to Ecsponent Shares**

- 3.2.1 There have been no consolidations or sub-divisions of securities by the Company in the preceding three years.
- 3.2.2 No Ordinary Shares have any conversion rights. Preference Shares are convertible into Ordinary Shares on an Event of Default.
- 3.2.3 Voting rights, rights to dividends, profits, capital and redemption rights of securities, as well as consents required for a variation in the aforementioned rights, are set out in the MOI, which is incorporated by reference in terms of paragraph 37 of the Circular.
- 3.2.4 Authorised but unissued securities are under the control of the Directors. Directors have a general authority to issue Shares for cash, limited to 15% of the total Shares in issue as at the date of the last annual general meeting, subject to certain restrictions in line with the Listings Requirements. Directors have authority to issue all the authorised but unissued Preference Share capital, limited to the Preference Share Programme amount, being R5 billion for all classes of Preference Shares.
- 3.2.5 Both the Ordinary Shares and the issued Preference Shares are listed on the JSE Limited. No shares are listed on any other stock exchange.
- 3.2.6 Other than the conversion of the Preference Shares, no person has any option or preferential right of any kind to subscribe for any securities in the Company, or in any of its major subsidiaries, or to acquire securities in the Company or its major subsidiaries from any person to whom they were allotted, or agreed to be allotted.

4. **MAJOR AND CONTROLLING SHAREHOLDERS**

Information relating to the Company's major Shareholders is set out in paragraph 13 of the Circular. Information relating to the history of change in controlling Shareholder is set out in paragraphs 13.4 and 13.5 of the Circular.

5. **INTERESTS OF DIRECTORS AND PROMOTERS**

- 5.1 The Group has not entered into any promoters' agreements during the three years preceding the Last Practicable Date. Accordingly, no amount has been paid, or is accrued as payable, within the preceding three years, or proposed to be paid to any promoter or to any partnership, syndicate or other association of which such promoter is or was a member and no other benefit has been given or is proposed to be given to any promoter, partnership, syndicate or other association within the said period.
- 5.2 No consideration, has been paid, or agreed to be paid to:
 - 5.2.1 any Director or related party;
 - 5.2.2 another company in which a Director has a beneficial interest or of which such Director is also a Director; or
 - 5.2.3 any partnership, syndicate or other association of which the Director is a member.
- 5.3 to induce the Director to become a director, to qualify as a director or for services rendered by the director or by a company, partnership, syndicate or other association, in connection with the promotion or formation of the Company.

6. **COMMISSIONS PAID OR PAYABLE**

- 6.1 No commissions, discounts, brokerages or other special terms have been granted during the preceding three years up to the Last Practicable Date in connection with the issue or sale of any securities, other than as disclosed in the audited annual financial statements.
- 6.2 No amount has been paid, or accrued as payable, to any person in the preceding three years up to the Last Practicable Date as commission for subscribing, or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities (including preference shares) in the Company.

7. MATERIAL CONTRACTS AND LOANS

7.1 Material contracts

- 7.1.1 Information relating to material contracts is set out in paragraph 20 of the Circular.
- 7.1.2 The Group has not entered into any agreements whereby royalties, or items of a similar nature, are payable.

7.2 Vendors

- 7.2.1 Information relating to vendors of the MyBucks Acquisition is set out in paragraph 8.7 of the Circular.
- 7.2.2 Information relating to the vendors for material acquisitions and disposals undertaken by the Group in the preceding three years, as set out in paragraph 20 of the Circular, is contained in the circular distributed to shareholders on 31 March 2016, which is incorporated by reference as per paragraph 37 of the Circular.

7.3 Material loans payable and receivable

- 7.3.1 Information relating to material loans payable and receivable is set out in paragraph 21 and **Annexure 1** of the Circular.
- 7.3.2 No loans have been made, or security furnished by the Group to, or for the benefit of, any Director or manager, or any associate of any Director or manager, of the Company.

7.4 Borrowing powers

- 7.4.1 Directors of the Company and its major subsidiaries have unlimited borrowing powers. The borrowing powers may be varied through an amendment of the MOI, through approval of a special resolution by Shareholders present in person or represented by proxy. The Directors' borrowing powers are contained in clause 31 of the MOI. See paragraph 37 of the Circular for documents incorporated by reference.
- 7.4.2 The Directors have not exceeded their borrowing powers in the previous three years.
- 7.4.3 There is no exchange control or other restrictions on the borrowing powers of the Directors.

8. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The Company has no material commitments, lease payments or contingent liabilities as at the Last Practicable Date.

9. PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED

- 9.1 Details of the principal immovable properties owned or leased by the Company and its major subsidiaries are set out in paragraph 30 of the Circular.
- 9.2 There have been no material acquisitions or disposals of immovable properties, or securities in companies in the nature of immovable properties, by the Group in the preceding three years up to the Last Practicable Date.

10. DIVIDENDS

Information relating to dividends is set out in clause 36 of the MOI which is incorporated by reference – refer paragraph 37 of the Circular. No dividends were declared or paid during the 2016 financial year.

11. MATERIAL CHANGE

- 11.1 Other than the acquisitions detailed in paragraph 11.2 below and the Transactions set out in the Circular, no material changes in the financial or trading position of the Company and/or MyBucks have taken place since the reviewed consolidated interim results for the six months ended 30 June 2016 in respect of the Company and in respect of the financial period ended 30 June 2016 in respect of MyBucks, were prepared.
- 11.2 Other than the acquisition of Ecsponent Financial Services, the original acquisition of the Business being conducted by EDF, the acquisition of the assets and liabilities of Sanceda and the acquisition of ECS Botswana, there have been no material changes in the trading objects of the Company or its subsidiaries in the preceding five years.

12. FINANCIAL INFORMATION

- 12.1 The financial information in respect of ECS Holdings, Sanceda Botswana, Clade, the Business of EDF, Sure Choice, EFS Zambia and MyBucks is incorporated by reference as per paragraph 37 of the Circular.
- 12.2 The Reporting Accountants' reports on the historic financial information for ECS Holdings, Sanceda Botswana, the Business of EDF, Clade, EFS Zambia and Sure Choice are contained in **Annexure 5, Annexure 6, Annexure 7, Annexure 8, Annexure 9** and **Annexure 10**, respectively. The JSE has granted the Company dispensation from providing a Reporting Accountants' report on the historic financial information for MyBucks on the basis set out in paragraph 8.4.6 of the Circular.
- 12.3 Material inter-company financial and other transactions and inter-company balances before elimination on consolidation are set out in **Annexure 18** of the Circular.

13. WORKING CAPITAL STATEMENT

Refer to paragraph 24 of the Circular which contains information relating to the working capital of the Company.

14. LITIGATION STATEMENT

The litigation statement relating to the Group is set out in paragraph 19 of the Circular.

15. CONTINUED COMPLIANCE WITH THE JSE LISTING CRITERIA

The Group's continued compliance applicable to main board issuers is as set out below:

JSE LR	JSE Requirement	
4.28 (a)	An issuer must have subscribed capital, including reserves but excluding minority interests and revaluations of assets; and excluding intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R50 million.	The Group's <i>pro forma</i> statement of financial position post the MyBucks Acquisition is set out in Annexure 2 . The capital and reserves post the MyBucks Acquisition exceed R50 million.
4.28 (b)	The issuer must have not less than 25 000 000 equity shares in issue.	Ecsponent will have 1 277 125 684 Ordinary Shares in issue after the Rights Offer and Specific Issue which exceeds the required minimum threshold.
4.28 (c)	The issuer must have audited financial statements for the preceding three financial years, the last of which reported an audited profit of at least R15 million before taxation and after taking account of the headline earnings adjustment on a pre-tax basis.	The Group's <i>pro forma</i> statement of comprehensive income post the MyBucks Acquisition is set out in Annexure 2 , which, on an annualised basis, exceeds the required R15 million.
4.28 (d)	The issuer must be carrying on as its main activity, either by itself or through one or more of its subsidiaries, an independent business which is supported by its historic revenue earning history and which gives it control (which for the purposes of this section is defined as at least 50% + 1 of the voting shares) over the majority of its assets and must have done so for the period covered by paragraph 4.28(c)(i).	The Company continues to maintain control over the majority of its assets. The Group structure is contained in paragraph 2 of the Circular.

16. ESTIMATED EXPENSES

The costs and preliminary expenses relating to the Transactions and the Specific Issue in respect of the past three years are dealt with in paragraph 36 of the Circular.

17. CORPORATE GOVERNANCE

The Company's report on Corporate Governance is contained in **Annexure 14** of the Circular.

18. OTHER INFORMATION RELATING TO ECSPONENT

- 18.1 The share price history of Ecsponent Shares traded on the JSE is summarised in **Annexure 15** of the Circular.
- 18.2 All related party transactions and balances for the Group have been disclosed in the financial results for the interim period ended 30 June 2016 (refer to the note "Related Party Disclosures – page 14), as released on SENS on 27 September 2016. Refer to paragraph 37 of the Circular for all documents incorporated by reference.
- 18.3 The Group does not enjoy any government protection or investor encouragement.

19. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on the inside front cover of the Circular of which these Revised Listing Particulars form part, collectively and individually accept full responsibility for the accuracy of the information given in these Revised Listing Particulars and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard to ascertain such facts and certify that, to the best of their knowledge and belief, the Revised Listing Particulars contains all information required by the Listings Requirements and by law.

20. EXPERTS' CONSENTS

Details of the experts' consents are set out in paragraph 32 of the Circular.

21. DOCUMENTS AVAILABLE FOR INSPECTION

The documents available for inspection are set out in paragraph 38 of the Circular.

**SIGNED BY TP GREGORY IN PRETORIA FOR, AND ON BEHALF OF, ALL OTHER DIRECTORS OF THE COMPANY,
IN TERMS OF THE POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS**

TP GREGORY

Chief Executive Officer

1 March 2017



Ecsponent Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/013215/06)
JSE share code: ECS ISIN: ZAE000179594
("the Company" or "Ecsponent")

NOTICE OF GENERAL MEETING ("NOTICE")

The definitions and interpretations commencing on page 5 of the Circular to which this Notice is attached apply, *mutatis mutandis*, throughout this Notice.

Notice

Notice is hereby given that a General Meeting of Shareholders will be held on Thursday, 30 March 2017 at the Company's registered office, Acacia House, Green Hill Village Office Park, on Lynwood Road, Cnr Botterklapper and Nentabos Streets, The Willows, Pretoria East at 10:30, to pass, with or without modification, the ordinary and special resolutions as set out in this Notice.

The record date on which Shareholders must be recorded as such in the Company's Share register maintained by the Transfer Secretaries for the purpose of determining which Shareholders are entitled to vote at the General Meeting is Friday, 24 March 2017.

Purpose of the General Meeting

The purpose of this General Meeting is to approve the Transactions and the Specific Issue, as set out in the Circular to which this Notice is attached.

Electronic participation

In terms of section 61(10) of the Companies Act every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by Shareholders. Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at PO Box 61051, Marshalltown, 2107, by no later than Tuesday, 28 March 2017 that they wish to participate via electronic communication at the General Meeting (the "Electronic Notice"). In order for the Electronic Notice to be valid it must contain:

- (a) if the Shareholder is an individual, a certified copy of his identity document and/or passport;
- (b) if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out whom from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and
- (c) a valid email address and/or facsimile number (the "contact address/number").

The Company shall, by no later than 24 hours before the commencement of the General Meeting, use its reasonable endeavours to notify a Shareholder at its contact address/number who has delivered a valid Electronic Notice of the relevant details through which the Shareholder can participate via electronic communication.

In terms of section 63(1) of the Companies Act, before any person may attend or participate in a shareholders' meeting, that person must present reasonable satisfactory identification and the person presiding at the meeting who must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder, or as a proxy of a Shareholder, has been reasonably verified.

RESOLUTIONS

ORDINARY RESOLUTION NUMBER 1– Approval of the disposal of the Company’s shares and loan accounts in Clade

“RESOLVED THAT, the Company be authorised to dispose of its shares and loan accounts in Clade to Capital for a total consideration of R15 500 000 and on the further terms and conditions set out in the Circular to which this Notice is attached.”

Explanatory note

In terms of the Listings Requirements, the Clade Disposal is a related party transaction and therefore requires the approval of the majority (50% + 1) of the Ordinary Shareholders (excluding Capital and its associates) present or represented at the General Meeting.

ORDINARY RESOLUTION NUMBER 2 – Approval of the disposal of the Company’s shares and loan accounts in ECS Holdings

“RESOLVED THAT, the Company be authorised to dispose of its shares and loan accounts in ECS Holdings to Projects for a total consideration of P34 000 000, and on the further terms and conditions set out in the Circular to which this Notice is attached.”

Explanatory note

In terms of the Listings Requirements, the ECS Holdings Disposal is a related party transaction and therefore requires the approval of the majority (50% + 1) of the Ordinary Shareholders (excluding Projects and its associates) present or represented at the General Meeting.

ORDINARY RESOLUTION NUMBER 3 – Approval of the disposal by EDF of the Business to EIH

“RESOLVED THAT, EDF, a subsidiary of the Company be authorised to dispose of the Business, as a going concern, to EIH for a total consideration of R120 150 000 and on the further terms and conditions set out in the Circular to which this Notice is attached.”

Explanatory note

In terms of the Listings Requirements, the EDF Disposal is a related party transaction and therefore requires the approval of the majority (50% + 1) of the Ordinary Shareholders (excluding EIH and its associates) present or represented at the General Meeting.

ORDINARY RESOLUTION NUMBER 4 – Approval of the disposal of the Company’s shares in Sure Choice

“RESOLVED THAT, the Company be authorised to dispose of its 50% interest in Sure Choice to GetBucks BW for a total consideration of P10 000 000, and on the further terms and conditions set out in the Circular to which this Notice is attached.”

Explanatory note

The Sure Choice Disposal is treated as a related party transaction by the Board and therefore requires the approval of the majority (50% + 1) of the Ordinary Shareholders present or represented at the General Meeting.

ORDINARY RESOLUTION NUMBER 5 – Approval of the issue by EFS Zambia of 1 500 000 ordinary shares to GetBucks MU

“RESOLVED THAT, EFS Zambia be authorised to issue 1 500 000 ordinary shares to MyBucks MU, constituting 75% of the issued share capital after the issue, for a subscription price that will be settled in cash, and on the further terms and conditions set out in the Circular to which this Notice is attached.”

Explanatory note

The EFS Zambia Subscription is treated as a related party transaction by the Board and therefore requires the approval of the majority (50% + 1) of the Ordinary Shareholders present or represented at the General Meeting.

ORDINARY RESOLUTION NUMBER 6 – Approval of the acquisition of 10.002% of the issued share capital of MyBucks

“RESOLVED THAT, the Company be authorised to acquire 10.002% of the issued ordinary shares in MyBucks from Projects for a total consideration of R262 570 000, to be set-off against the Loan Account, and on the further terms and conditions set out in the Circular to which this Notice is attached.”

Explanatory note

In terms of the Listings Requirements, the MyBucks Acquisition is a related party transaction and therefore requires the approval of the majority (50% + 1) of the Ordinary Shareholders (excluding Projects and its associates) present or represented at the General Meeting.

SPECIAL RESOLUTION NUMBER 1 – Approval for the issue of shares to Directors

“RESOLVED THAT, the issue of Ordinary Shares to TP Gregory and B Shanahan, Directors of the Company, in lieu of a cash settlement of Directors’ remuneration, and on the terms and conditions set out in the Circular to which this Notice is attached, be and is hereby approved.

Explanatory note

This resolution requires the approval of Shareholders by way of a special resolution in terms of section 41(1) of the Companies Act, requiring the approval of 75% of the Shareholders who are present in person or represented by proxy at the General Meeting and who are entitled to vote thereat.

The issue of shares to Directors is also a specific issue of Shares to related parties (as defined by the Listings Requirements) and accordingly, in terms of paragraph 5.51(g) of the Listings Requirements, requires the approval of Shareholders by way of an ordinary resolution, requiring 75% of the Shareholders who are present in person or represented by proxy at the General Meeting and who are entitled to vote thereat.

ORDINARY RESOLUTION 7 – General authorising resolution

“RESOLVED THAT, any Director or the company secretary of Ecsponent be and is hereby authorised to do all things and sign all documents required to give effect to the Ordinary and Special Resolutions contained in this Notice.”

Explanatory note

The passing of ordinary resolution number 7 is subject to a simple majority of votes by Shareholders, present in person or by proxy at the General Meeting, being cast in favour thereof.

Voting

The date on which Shareholders must be recorded as such in the register maintained by the Transfer Secretaries for purposes of being entitled to attend and vote at this General Meeting is Friday, 24 March 2017, with the last day to trade being Monday, 20 March 2017. General Meeting participants may be required to provide identification to the reasonable satisfaction of the chairman of the General Meeting.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the Company. A Form of Proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated Shareholder or “own-name” registered dematerialised Shareholder who wishes to be represented at the General Meeting.

Completion of a Form of Proxy will not preclude such Shareholder from attending and voting (in preference to that Shareholder’s proxy) at the General Meeting. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries at the address given below by no later than 10:30 on Tuesday, 28 March 2017

Dematerialised Shareholders, other than “own-name” registered dematerialised Shareholders, who wish to attend the General Meeting in person, will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such Shareholders and the CSDP or broker.

Dematerialised Shareholders, other than “own-name” or registered dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

On a poll, Ordinary Shareholders will have one vote in respect of each Share held.

By order of the Board.

Dirk van der Merwe

Company Secretary
Registered office

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
2nd Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107)



Ecsponent Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1998/013215/06)
 JSE share code: ECS ISIN: ZAE000179594
 ("the Company" or "Ecsponent")

FORM OF PROXY

(for use by certificated and own-name dematerialised Shareholders only)

For use by certificated and "own-name" registered dematerialised Shareholders of the Company at the General Meeting of Ecsponent to be held at 10:30 on Thursday, 30 March 2017 at the registered office, Acacia House, Green Hill Village Office Park, on Lynwood Road, Cnr Botterklapper and Nentabos Streets, The Willows, Pretoria ("the General Meeting").

I/We (please print full names)

of (address)

Telephone number: () Cellphone number:

e-mail address:

being the holder/s of Ordinary no par value Shares in Ecsponent, appoint (see note 1):

1. _____ or failing him,

2. _____ or failing him,

3. the chairperson of the General Meeting, as my/our proxy to act for me/us and on my/our behalf at the General Meeting which will 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 and/or against the resolutions and/or abstain from voting in respect of the Ordinary Shares registered in my/our name/s, in accordance with the following instructions (see note 2):

Resolutions proposed	Number of votes		
	For	Against	Abstain
Ordinary Resolution number 1 Approval of the disposal by Ecsponent of its 51% shares and loans in Clade			
Ordinary Resolution number 2 Approval of the disposal by Ecsponent of its 70% shares and loans in ECS Holdings			
Ordinary Resolution number 3 Approval of the disposal by EDF of the Business to EIH as a going concern			
Ordinary Resolution number 4 Approval of the disposal by Ecsponent of 50% shares and loans in Sure Choice to GetBucks BW			
Ordinary Resolution number 5 Approval of the issue by EFS Zambia of 1 500 000 shares to GetBucks MU			
Ordinary Resolution number 6 Approval of the acquisition of 10.002% of the issued share capital of MyBucks			
Special Resolution number 1 Approval for the issue of Shares to Directors			
Ordinary Resolution Number 7 General authorising resolution			

(Indicate instruction to proxy by way of a cross in the relevant space provided above)

Signed at _____ on _____

Signature _____ Assisted by me (where applicable)

Name. _____

Capacity _____ Signature _____

Notes:

1. This form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the meeting. If duly authorised, companies and other corporate bodies who are shareholders having shares registered in their own names may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.
Other shareholders should not use this form. All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the General Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. This form of proxy will not be effective unless received at the Transfer Secretaries offices, by not later than Tuesday, 28 March 2017 at 10:30.
3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares are inserted.
4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this form of proxy may delegate the authority given to him in this proxy by delivering to the company, in the manner required by these instructions, a further form of proxy which has been completed in a manner consistent with the authority given to the proxy of this form of proxy.
5. Unless revoked, the appointment of proxy in terms of this form of proxy remains valid until the end of the meeting even if the meeting or a part thereof is postponed or adjourned.
6. If:
 - 6.1 a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - 6.2 the shareholder gives contrary instructions in relation to any matter; or
 - 6.3 any additional resolution/s which are properly put before the Meeting; or
 - 6.4 any resolution listed in the form of proxy is modified or amended, the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this form of proxy will not be effective unless:
 - 7.1 it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or
 - 7.2 the Company has already received a certified copy of that authority.
8. The chairman of the meeting may, at his discretion, accept or reject any form of proxy or other written appointment of a proxy which is received by the chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.
9. Any alterations made in this form of proxy must be initialled by the authorised signatory/ies.
10. This form of proxy is revoked if the shareholder who granted the proxy:
 - 10.1 delivers a copy of the revocation instrument to the company and to the proxy or proxies concerned, so that it is received by the company by not later Tuesday, 28 March 2017 at 10:30; or
 - 10.2 appoints a later, inconsistent appointment of proxy for the Meeting; or
 - 10.3 attends the General Meeting in person.
11. If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This form will not be effective at the meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received at the company's registered office, not later than Tuesday, 28 March 2017 2016 at 10:30.

Summary of rights established by section 58 of the Companies Act as required in terms of sub-section 58(8)(b)(i):

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his/her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 below or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder 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 the shareholder (section 58(3)(a)).
4. A proxy may delegate his/her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the MOI of the Company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
 - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the Company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).