



**Circular to Ecsponent  
Shareholders:** Amendments to  
Memorandum of Incorporation

  
**ecsponent**  
Limited

# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 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.

## Actions required

All Shareholders:

- Detailed action required by Shareholders is set out on page 6 of this Circular.
- If you have disposed of all your Ecsponent Shares, then this Circular should be handed to the purchaser of such Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

## Disclaimer

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 details of this Circular or the proposed Resolutions.

## Jurisdiction

All transactions arising from the provisions of this Circular and the Voting Form shall be governed by and be subject to the laws of South Africa.



(Incorporated in the Republic of South Africa, registration number 1998/013215/06)  
Share code: ECS ▪ ISIN ZAE000179594  
("the Company" or "Ecsponent")

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## CIRCULAR TO ECSPONENT SHAREHOLDERS

Relating to:

- the amendment of Ecsponent's MOI to incorporate the proposed amended terms of the Class D, Class E, Class F and Class G Preference Shares.

and enclosing:

- the Resolutions to be adopted in terms of section 60(1) of the Companies Act;
- a Voting Form (attached); and
- Form of Proxy (attached).

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Corporate adviser and sponsor:



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**Date of issue: 03 August 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 of this Circular during normal business hours from date of its posting up to and including the Publication Date and will be made available on the Ecsponent website ([www.ecsponentlimited.com](http://www.ecsponentlimited.com)). Copies of this Circular are available in English only.*

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## CORPORATE INFORMATION

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### **Directors**

#### **Executive**

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

#### **Independent non-executive**

RJ Connellan (Chairman)  
W Oberholzer  
KA Rayner  
BR Topham

#### **Non-executive**

G Manyere (Vice-chairman)  
PJ Matute

### **Company secretary and registered office**

DP 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)

### **Transfer Secretaries**

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

### **Date of incorporation**

09 July 1998

### **Place of incorporation**

Johannesburg, South Africa

### **Registered office**

Acacia House  
Green Hill Village Office Park  
Corner 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)  
1<sup>st</sup> Floor, Yellowwood House  
Ballywoods Office Park  
33 Ballyclare Drive, Bryanston  
Johannesburg, 2191  
(PO Box 98956, Sloane Park, 2152)

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## SALIENT DATES AND TIMES

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The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* to this salient dates and times section.

Salient dates and times are set out below:

### 2017

|   |                        |
|---|------------------------|
| Last day to trade in order to be eligible to vote on the Resolutions  | Tuesday, 25 July       |
| Record date to determine which Shareholders are entitled to vote on the Resolutions in terms of the Voting Form | Friday, 28 July        |
| Circular posted to Shareholders on  | Thursday, 03 August    |
| Deadline for the exercise of voting rights by Shareholders on the Resolutions by 17:00 on                       | Thursday, 07 September |
| Latest publication on SENS and distribution of statement of results of the Resolutions                          | Friday, 08 September   |

#### Notes:

1. All times indicated are South African times unless otherwise stated.
2. The above dates and times are subject to amendment. Any such amendment will be released on SENS.

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## ACTION REQUIRED

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**This Circular contains information in respect of the MOI Amendments, which Circular you should read carefully in order to decide on how you wish to vote on the Resolutions proposed.**

The definitions and interpretations commencing on page 7 of the Circular apply, *mutatis mutandis*, to this action required section.

**1. Certificated Shareholders and dematerialised "own name" registered Shareholders**

Certificated Shareholders and dematerialised "own name" registered Shareholders may indicate, by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate box provided, on the Voting Form attached to this Circular, how they wish to cast their votes in relation to the Resolutions. Please return a copy of the completed and signed Voting Form to Computershare Investor Services Proprietary Limited (the Transfer Secretaries of the Company) within 20 (twenty) business days of the Deemed Date of receipt hereof at any one of the following addresses:

**By hand**

Computershare Investor Services  
Proprietary Limited  
2<sup>nd</sup> Floor, Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

**By email**

Computershare Investor Services  
Proprietary Limited  
Email: proxy@computershare.co.za

**2. Dematerialised Shareholders who have not selected "own-name" registration**

Dematerialised Shareholders should advise their CSDP or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their Shares (other than "own-name" dematerialised Shareholders) must not return the Voting Form attached to this Circular to the Transfer Secretaries, but must instead furnish their CSDP or broker with their instruction for voting in respect of the Resolutions.

**3. If you have disposed of your Shares**

If you have disposed of your Ecsponent Shares, please forward this Circular to the purchaser of such Shares or to the broker or agent through whom the disposal was effected.

**4. Deemed receipt**

Where a Shareholder has received this Circular, which incorporates the Resolutions, by means of post such Shareholder is deemed to have received this Circular on the Deemed Date, being the 7<sup>th</sup> (seventh) day following the day on which the Circular was posted as recorded by a post office.

**5. Record date**

The Directors of the Company have resolved that the record date for determining which Shareholders are entitled to vote on the Resolutions, shall be Friday, 28 July 2017.

If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately. Ecsponent does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised Shareholder to notify such Shareholder of the action required by Shareholders.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, 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:

|                                     |  |
|-------------------------------------|--|
| <b>“Board” or “Directors”</b>       | the board of directors of Ecsponent at the Last Practicable Date whose details are set out in the “Corporate information section” of this Circular;  |
| <b>“business day”</b>               | any day other than a Saturday, Sunday or a public holiday in South Africa;   |
| <b>“certificated Shareholder”</b>   | a holder of certificated Shares;   |
| <b>“certificated Shares”</b>        | Shares which are not dematerialised, title to which is represented by physical documents of title;   |
| <b>“Circular”</b>                   | this document, dated 03 August 2017, including the proposed MOI Amendments (Annexure 1), the Resolutions (Annexure 2), the Voting Form and the Form of Proxy (attached);   |
| <b>“CIPC”</b>                       | the South African Companies and Intellectual Property Commission;  |
| <b>“Class A Preference Shares”</b>  | the class A preference shares as set out in Schedule 1 of the MOI and with further preferences, rights, limitations and other terms as set out in Schedule 2 of the MOI;   |
| <b>“Class B Preference Shares”</b>  | the class B preference shares as set out in Schedule 1 of the MOI and with further preferences, rights, limitations and other terms as set out in Schedule 2 of the MOI;   |
| <b>“Class C Preference Shares”</b>  | the class C preference shares as set out in Schedule 1 of the MOI and with further preferences, rights, limitations and other terms as set out in Schedule 2 of the MOI;   |
| <b>“Class D Preference Shares”</b>  | the class D preference shares as set out in Schedule 1 of the MOI and with further preferences, rights, limitations and other terms as set out in Schedule 2 of the MOI, the terms of which are proposed to be amended as detailed in <b>Annexure 1</b> of this Circular;  |
| <b>“Class E Preference Shares”</b>  | the class E preference shares as set out in Schedule 1 of the MOI and with further preferences, rights, limitations and other terms as set out in Schedule 2 of the MOI, the terms of which are proposed to be amended as detailed in <b>Annexure 1</b> of this Circular;  |
| <b>“Class F Preference Shares”</b>  | the class F preference shares as set out in Schedule 1 of the MOI and with further preferences, rights, limitations and other terms as set out in Schedule 2 of the MOI, the terms of which are proposed to be amended as detailed in <b>Annexure 1</b> of this Circular;  |
| <b>“Class G Preference Shares”</b>  | the class G preference shares as set out in Schedule 1 of the MOI and with further preferences, rights, limitations and other terms as set out in Schedule 2 of the MOI, the terms of which are proposed to be amended as detailed in <b>Annexure 1</b> of this Circular;  |
| <b>“the Company”</b>                | Ecsponent;   |
| <b>“Companies Act” or “the Act”</b> | the Companies Act, Act 71 of 2008, as amended;   |
| <b>“CSDP”</b>                       | 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; |
| <b>“custody agreement”</b>          | 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;   |
| <b>“Deemed Date”</b>                | the 7 <sup>th</sup> (seventh) day following the day on which this Circular was posted as recorded by a post office;  |
| <b>“dematerialised Shareholder”</b> | a holder of dematerialised Shares;   |

|  |   |
|--|---|
| <b>“dematerialised Shares”</b>                   | 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;  |
| <b>“documents of title”</b>                      | share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of shares;   |
| <b>“Form of Proxy”</b>                           | the form of proxy (blue) attached to this Circular to be completed by certificated Shareholders and “own name” registered dematerialised Shareholders only;   |
| <b>“Group” or “Ecsponent Group”</b>              | Ecsponent and its subsidiaries as at the Last Practicable Date;   |
| <b>“Issued Shares”</b>                           | collectively Class A, Class B and Class C Preference shares;  |
| <b>“JSE”</b>                                     | 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;  |
| <b>“Listings Requirements”</b>                   | the listings requirements of the JSE in force as at the Last Practicable Date;  |
| <b>“Last Practicable Date”</b>                   | 20 July 2017, being the last practicable date prior to the finalisation of this Circular;   |
| <b>“MOI” or “Memorandum of Incorporation”</b>    | the memorandum of incorporation of the Company, as amended from time to time;   |
| <b>“MOI Amendments”</b>                          | the amendments proposed to the current MOI in order to amend certain terms of the Class D, Class E, Class F and Class G Preference Shares, as set out in <b>Annexure 1</b> of this Circular;  |
| <b>“Ordinary Shareholders” or “Shareholders”</b> | holders of Ordinary Shares;   |
| <b>“Ordinary Shares” or “Shares”</b>             | ordinary no par value shares in the Company;  |
| <b>“Preference Shares”</b>                       | collectively, all of the preference shares capable of issuance by the Company being, Class A to Class G Preference Shares, with terms as set out in Schedule 2 of the MOI;  |
| <b>“Publication Date”</b>                        | the date of publication of the results of the Resolutions on SENS, which will be the earlier of i) the business day following receipt of Voting Forms from shareholders representing at least 75% of the votes entitled to vote on the Resolutions or ii) the business day following the deadline for shareholders to exercise their voting rights, as set out in the “Salient Dates and Times” section of this Circular; |
| <b>“R” or “Rand”</b>                             | South African Rand, the official currency of South Africa;  |
| <b>“Resolutions”</b>                             | collectively the special resolution proposed in terms of section 60 of the Act to adopt the MOI Amendments and the general enabling ordinary resolution, included in the Voting Form;   |
| <b>“SENS”</b>                                    | the Stock Exchange News Service of the JSE;   |
| <b>“SME”</b>                                     | small and medium enterprise;  |
| <b>“South Africa”</b>                            | the Republic of South Africa;   |
| <b>“Sponsor and Corporate Advisor”</b>           | Questco Proprietary Limited, a private company duly registered and incorporated under the laws of South Africa, and the sponsor and corporate advisor to Ecsponent, further details of which are set out in the “Corporate Information” section of this Circular;   |
| <b>“Strate”</b>                                  | 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;   |
| <b>“Transfer Secretaries” or “Computershare”</b> | 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; and  |
| <b>“Voting Form”</b>                             | the Voting Form to be completed by Certificated Shareholders and dematerialised “own name” registered Shareholders, attached to this Circular.  |





(Incorporated in the Republic of South Africa, registration number 1998/013215/06)  
Share code: ECS ▪ ISIN ZAE000179594  
("the Company" or "Ecsponent")

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Directors

TP Gregory (Chief Executive Officer)  
B Shanahan (Group Financial Director)  
RJ Connellan (Chairman) \*  
G Manyere (Vice-chairman) #  
PJ Matute #  
W Oberholzer \*  
KA Rayner \*  
BR Topham \*

\* Independent non-executive  
# Non-executive

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## CIRCULAR TO ECSPONENT SHAREHOLDERS

### 1. Introduction and rationale

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. 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.

Ecsponent's business model requires continuous funding for, *inter alia*, its finance businesses and preference shares are considered an appropriate source of funding for these on-going business needs. In order for the Preference Shares to remain competitive in changing economic conditions, the Board needs to continually assess the appropriateness of the terms of its Preference Shares, and at the same time, take into account the Company's cost of funding.

The Board proposes the MOI Amendments in order to amend the terms of the Class D, Class E, Class F and Class G Preference Shares to ensure that the terms thereof remain competitive in current market conditions, and that the cost of funding attached thereto is appropriate for the Company.

The Board therefore proposes that the MOI Amendments, the detail of which are set out in **Annexure 1** of this Circular, be adopted.

There are no Class D, Class E, Class F and Class G Preference Shares currently in issue. The MOI Amendments will not impact the rights of the holders of the Issued Shares.

### 2. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with an overview of the MOI Amendments and to enable Shareholders to make an informed decision as to whether or not they should vote in favour of the Resolutions.

### 3. Required Shareholder approval

Section 16(1)(c) of the Companies Act, and the Listings Requirements, require that any amendments to the MOI be approved by way of a special resolution of Shareholders, being a resolution supported by Shareholders holding at least 75% of the voting rights exercised on the special resolution.

**4. 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.

**5. Consents**

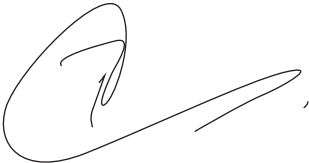
The Sponsor and Corporate Advisor and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular, and have not, prior to the Last Practicable Date, withdrawn their consents prior to publication of this Circular.

**6. 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 posting of this Circular up to and including the Publication Date:

- the current MOI, as well as the proposed revised MOI;
- consent letters referred to in paragraph 5; and
- a signed copy of this Circular.

**Signed by TP Gregory in Pretoria for, and on behalf of, all other Directors of the Company, in terms of a Round Robin Resolution of Directors**



**TP Gregory**

Chief Executive Officer

03 August 2017

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## ANNEXURE 1: MOI AMENDMENTS

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The definitions and interpretations commencing on page 7 of the Circular to which this **Annexure 1** is attached apply, *mutatis mutandis*, to the amendments set out below.

A summary of the proposed MOI Amendments is set out below:

### 1. Amendments to Section 25 of the MOI

- 1.1. In order to clarify how abstentions will be treated during Shareholder meetings, it is proposed that the following paragraph 25.5 be included:

"25.5) While abstentions from voting shall not be counted for the purposes of determining the number of votes in favour or against the adoption of a resolution, Shareholders who abstain from voting on a resolution shall still be counted for the purposes of quorum in accordance with clause 20.4".

### 2. Amendments to Section 31 of the MOI

- 2.1. It is proposed that paragraph 31.2.2 of the MOI be amended to clarify that the borrowing powers are authorised by the Board, such that it reads:

"31.2.2) all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed, to the extent applicable, the aggregate amount at that time authorised by the Board to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be)".

### 3. Amendments to Schedule 1 of the MOI

- 3.1. In relation to Class D, Class E and Class F Preference Shares, it is proposed that paragraphs 2.4, 2.5 and 2.6 of Schedule 1 of the MOI be removed entirely and replaced with:

"2.4) 1 000 000 000 (one billion) class D, five year, fixed-rate, redeemable, convertible, cumulative, non-participating Preference Shares of no par value in the share capital of the Company at a redemption price equal to 100% of the Initial Issue Price per Preference Share, subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 2 ("Class "D" Preference Shares");

"2.5) 1 000 000 000 (one billion) class E, five year, fixed-rate, redeemable, convertible, cumulative, non-participating Preference Shares of no par value in the share capital of the Company at a redemption price equal to 100% of the Initial Issue Price per Preference Share, subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 2 ("Class "E" Preference Shares");

"2.6) 1 000 000 000 (one billion) class F, fixed-rate, cumulative, non-participating, perpetual Preference Shares of no par value in the share capital of the Company at a redemption price (when redeemed voluntarily by the Company in terms of clause 6A) equal to 100% of the Initial Issue Price per Preference Share, subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 2 ("Class "F" Preference Shares)".

### 4. Amendments to Schedule 2 of the MOI

- 4.1. In order to align paragraph 1 of Schedule 2 with the proposed amended terms, it is proposed that paragraph 1 of Schedule 2 of the MOI be amended, such that it reads:

"Subject to the provisions of the Memorandum of Incorporation of the Company and in compliance with the Listings Requirements, to the extent applicable, the Board shall have the power and authority to attach any of these rights, limitations and other terms associated to each class or classes of Preference Shares".

- 4.2. It is proposed that the definition of "Five Yearly Preferential Dividend Payment Dates" be deleted entirely as the definition becomes redundant following the amendment of the terms of Class E Preference Share.

- 4.3. It is proposed that the definition of "Monthly Preferential Dividend Payment Dates" be amended to include reference to Class E, Class F and Class G Preference Shares, as well as capitalisation of the term to ensure consistency of the definition where used within the MOI, such that it reads:

“**Monthly Dividend Payment Dates**” in relation to Class A, C, D, E, F and G Preference Shares shall be the date in each month on which the Company pays dividends on each such class of Preference Shares as announced on SENS from time to time, determined in accordance with the timeline requirements of the JSE;”

- 4.4. It is proposed that the definition of “Redemption Date” be amended to avoid the circularity of the previous definition, such that it reads:

“**Redemption Date**” means the Maturity Date, or, if the Maturity Date is not a business day, the first business day following the Maturity Date occurring for each class of Preference Shares;”

- 4.5. It is proposed that the definition of “Redemption Price” be amended to ensure that there is reference to Schedule 1 and that it is limited to Preference Shares with redemption rights, such that it reads:

“**Redemption Price**” means the price paid by the Company for each class of Preference Share to which redemption rights are applicable at the Redemption Date, as set out in Schedule 1;”

- 4.6. It is proposed that “VAT” be defined under Schedule 2, such that it reads:

“**VAT**” means Value-Added Tax;”

- 4.7. It is proposed that a new Section 3 which relates to “Fees” be inserted in order to allow the Company to recover administration and similar fees. The proposed paragraphs 3.1 and 3.2 would read:

“3.1) The Company shall be entitled to an administration fee in respect of the Class D, Class E, Class F and Class G Preference Shares, up to a maximum of 1% per annum on the Initial Issue Price, payable monthly in arrears on the Monthly Dividend Payment Dates”.

“3.2) The administration fee is subject to the Value-Added Tax Act of 1991. The Company has the right to recover the monthly administration fee, from the monthly Preference Share dividend (plus the applicable VAT thereon)”.

- 4.8. It is proposed that the term “dividend payment dates” in paragraphs 4.2 and 12.5 be amended and capitalised to “Monthly Dividend Payment Dates” to ensure consistency with the defined term.

- 4.9. In order to reflect the amended terms of Class D and Class E Preference Shares, it is proposed that paragraphs 4.5 and 4.6 in relation to Class D Preference Shares, and Class E Preference Shares, respectively, be removed entirely and replaced with:

“4.5) The Preference Shareholders of Class D fixed-rate Preference Shares shall be entitled to a cumulative Preferential Dividend, at a rate of 12.5% per annum on the Initial Issue Price, payable monthly in arrears on the Monthly Dividend Payment Dates”;

“4.6) The Preference Shareholders of Class E fixed-rate Preference Shares shall be entitled to a cumulative Preferential Dividend, at a rate of 11.25% per annum on the Initial Issue Price, payable monthly in arrears on the Monthly Dividend Payment Dates”.

- 4.10. It is proposed that the fixed rate in paragraph 4.8 in relation to Class G Preference Shares be amended from 11.2% to 10%.

- 4.11. It is proposed that paragraph 5.1 in relation to the conversion provisions be amended to include reference to Class D and Class E Preference Shares, and that paragraph 5.5 be amended to only reference Class F Preference Shares, such that they read:

“5.1) Conversion of classes A, B, C, D, E and G Preference Shares respectively, into ordinary shares is obligatory if the Company fails to rectify a default event in respect of that class of Preference Shares, in terms of sub-clause 5.1.1 or 5.1.2 below within 3 (three) months after:

5.1.1 default by the Company on repayment of the Redemption Price on the Redemption Date; or

5.1.2 non-payment of 3 (three) consecutive dividends on class A, C, D, E and G Preference Shares of the Company.”

“5.5) Neither the Company, nor the holders of Class F Preference Shares have the right, or the obligation, to convert Class F Preference Shares into ordinary shares.”

- 4.12. It is proposed that paragraph 6.2 be amended such that it reads;

“6.2) Unless Directors determine otherwise, the Preference Shares shall be redeemed at the Maturity Date and the Company shall, subject to the provisions of the Act and the JSE Listings Requirements, redeem such number of Preference Shares in full for an amount equal to the Redemption Price and any arrear dividends unpaid, if any, as attached to each Preference Share.”

4.13. It is proposed that the term "maturity date" in paragraphs 6.2, 6.3 and 10 be capitalised to ensure consistency with the defined term.

4.14. It is proposed that a new paragraph 6A be inserted to allow the Board to early redeem Preference Shares, which reads:

"6A. VOLUNTARY REDEMPTION

6A.1 Notwithstanding anything in Schedule 1 and Schedule 2 of this Memorandum of Incorporation to the contrary, the Company shall be entitled (but not obliged) to redeem, at any time prior to the Maturity Date of any Class D, Class E or Class G Preference Share, or, in the case of a Class F Preference Share at any time, all or any class or classes of such shares, or any pro rata portion of all or any classes of such shares, at the Redemption Price and provided that, such redemption takes place on a Monthly Dividend Payment Date, and on that date all dividends payable will be paid in respect of that Preference Share.

6A.2 Should the Company elect to redeem any Preference Shares voluntarily in terms of clause 6A.1:

6A.2.1 the Company shall publish a written notice (a "Voluntary Redemption Notice") on SENS and such notice shall set out (i) the number of the Preference Shares which the Company wishes to redeem (the "Voluntary Redemption Shares"), (ii) the date on which the Company intends to redeem the Voluntary Redemption Shares (the "Voluntary Redemption Date"), such date to be no later than 10 (ten) business days after the date on which the Company publishes its Voluntary Redemption Notice, and (iii) the amount of any Preference Dividends which the Company will become obliged to pay on the Voluntary Redemption Date;

6A.2.2 a Voluntary Redemption Notice shall be revocable and after the publication thereof the Company shall be entitled but not obliged to redeem the applicable Voluntary Redemption Shares on the applicable Voluntary Redemption Date; and

6A.2.3 if the Company publishes a Voluntary Redemption Notice and elects not to redeem the applicable Voluntary Redemption Shares on the applicable Voluntary Redemption Date, the Company shall not thereafter redeem the applicable Voluntary Redemption Shares without again publishing a Voluntary Redemption Notice to the Preference Shareholders in accordance with clause 6A.2.1".

4.15. It is proposed that paragraph 11 in relation to the ranking provisions be amended to clarify that Class D, Class E, Class F and Class G Preference Shares rank only in priority to ordinary shares, such that it reads:

"11.1) All classes of Preference Shares with the exception of Class D, E, F and G Preference Shares, will rank concurrently with regards to dividend and capital repayments, but in priority to Class D, E, F and G Preference Shares and ordinary shares issued by the Company (excluding arrear amounts).

11.2) Class D, E, F and G Preference Shares will rank in priority to ordinary shares issued by the Company with regards to dividend and capital repayments (excluding arrear amounts)."

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## ANNEXURE 2: RESOLUTIONS TO BE ADOPTED

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(Incorporated in the Republic of South Africa, registration number 1998/013215/06)  
Share code: ECS ▪ ISIN ZAE000179594  
("the Company" or "Ecsponent")

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## RESOLUTIONS ADOPTED IN TERMS OF SECTION 60(1) OF THE COMPANIES ACT

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The definitions and interpretations commencing on page 7 of the Circular to which this **Annexure 2** is attached apply, *mutatis mutandis*, to the resolutions set out below.

### **Special resolution number 1: Amendment of the MOI of the Company**

"RESOLVED THAT the Memorandum of Incorporation be amended in order to reflect the proposed MOI Amendments, which amendments are summarised in Annexure 1 of the Circular to which this annexure is attached."

### **Explanatory note**

The reason for special resolution number 1 is to obtain approval from Shareholders for the MOI Amendments.

This special resolution requires the approval by Shareholders exercising at least 75% of the voting rights, exercised in accordance with section 65(9) of the Companies Act, the MOI and the Listings Requirements.

### **Ordinary resolution number 1: General enabling 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 special resolution number 1 set out above."

### **Explanatory note**

The passing of ordinary resolution 1 is subject to a simple majority of votes by Shareholders being cast in favour thereof, by Shareholders entitled to and exercising votes thereon.



(Incorporated in the Republic of South Africa, registration number 1998/013215/06)  
 Share code: ECS ▪ ISIN ZAE000179594  
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## VOTING FORM

The definitions and interpretations commencing on page 7 of the Circular to which this **Voting Form** is attached apply, *mutatis mutandis*, throughout this Voting Form.

### For use by certificated shareholders and dematerialised "own-name" shareholders in terms of Section 60 of the Companies Act

Shareholders who hold dematerialised Shares, but not in their own name, must furnish their CSDP or broker, with their instructions for voting in respect of the Resolutions set out in Annexure 2. Such Shareholders must not lodge this Voting Form. Unless such Shareholder advises their CSDP or broker, as the case may be, by the cut-off time stipulated in terms of the custody agreement between the Shareholder and the CSDP, or broker, that the Shareholder wishes to give or withhold consent in respect of Special Resolution Number 1 and Ordinary Resolution Number 1, or to appoint a proxy to give or withhold such consent on their behalf, the CSDP or broker will assume that the Shareholder does not wish to complete the Voting Form or to appoint a proxy to do so.

I/We (please print full names) \_\_\_\_\_

of (address) \_\_\_\_\_

Telephone number: 

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Cellphone number: 

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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

E-mail address: \_\_\_\_\_

being the holder/s of \_\_\_\_\_

ordinary no par value Shares in Ecsponent, hereby vote as follows:

|   | For | Against | Abstain |
|---|-----|---------|---------|
| <b>Special Resolution number 1</b><br>Approval of the proposed amendments to the Memorandum of Incorporation of the Company |     |         |         |
| <b>Ordinary Resolution number 1</b><br>General enabling resolution  |     |         |         |

Please insert the number of Ordinary Shares you wish to vote or insert an "X" if you wish to vote all of your Ordinary Shares.

Signed at:

\_\_\_\_\_

on:

\_\_\_\_\_

Signature:

\_\_\_\_\_

Assisted by me

(where applicable):

\_\_\_\_\_

Name:

\_\_\_\_\_

Capacity signature:

\_\_\_\_\_

**Notes:**

1. A person signing this Voting Form in a representative capacity must attach the documentary evidence establishing such authority to this Voting Form, unless previously recorded by the Transfer Secretaries of the Company.
2. The Voting Form must be completed and signed in accordance with the instructions therein, and must be received by the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited as follows:

**By hand**

Computershare Investor Services  
Proprietary Limited  
2<sup>nd</sup> Floor, Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

**By email**

Computershare Investor Services  
Proprietary Limited  
Email: proxy@computershare.co.za

within 20 business days of the Deemed Date of receipt of this Circular by a Shareholder (excluding the date of receipt hereof, and including the last day of the 20-business day period) being Thursday, 07 September 2017, contemplated herein.

4. A certificated or dematerialised Shareholder's instructions on the Voting Form must be indicated by the insertion of the relevant number of votes exercised by that Shareholder in the appropriate box provided. A certificated or dematerialised "own-name" Shareholder is not obliged to use all the votes exercisable by the Shareholder, but the total number of votes cast and in respect of which abstention is recorded may not exceed the total number of votes exercisable by the certified or dematerialised "own name" Shareholder.





(Incorporated in the Republic of South Africa, registration number 1998/013215/06)  
 Share code: ECS ▪ ISIN ZAE000179594  
 ("the Company" or "Ecsponent")

## FORM OF PROXY

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

The definitions and interpretations commencing on page 7 of the Circular to which this **Form of Proxy** is attached apply, *mutatis mutandis*, throughout this Form of Proxy.

I/We (please print full names) \_\_\_\_\_

of (address) \_\_\_\_\_

Telephone number: 

|  |  |  |  |  |  |  |  |  |  |  |  |
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Cellphone number: 

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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,

as my/our proxy to vote for me/us on my/our behalf in respect of the Special Resolution and Ordinary Resolution proposed by the Directors of the Company, as set out in Annexure 2 of the Circular submitted to the Shareholders of the Company in terms of section 60 of the Companies Act, 71 of 2008, as amended, for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions, and to vote on Resolutions in respect of the Shares registered in my/our names in accordance with the following instructions (see note 6):

| Resolutions proposed  | For | Against | Abstain |
|---|-----|---------|---------|
| <b>Special Resolution number 1</b><br>Approval of the proposed amendments to the Memorandum of Incorporation of the Company |     |         |         |
| <b>Ordinary Resolution number 1</b><br>General enabling resolution  |     |         |         |

*Please insert the number of Ordinary Shares you wish to vote or insert an "X" if you wish to vote all of your Ordinary Shares.*

Signed at:

\_\_\_\_\_

on:

\_\_\_\_\_

Signature:

\_\_\_\_\_

Assisted by me

(where applicable):

\_\_\_\_\_

Name:

\_\_\_\_\_

Capacity signature:

\_\_\_\_\_

**Notes:**

1. The following categories of Shareholders are entitled to complete a Form of Proxy:
  - a) certificated Shareholders whose names appear on the Company's register;
  - b) "own name" dematerialised Shareholders whose names appear on the sub-register of a CSDP;
  - c) CSDPs with nominee accounts; and
  - d) brokers with nominee accounts.
2. Certificated Shareholders wishing to vote in respect of the Resolutions must ensure beforehand with the Transfer Secretaries, that their Shares are registered in their name.
3. Beneficial Shareholders whose Shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a Form of Proxy, unless a Form of Proxy is issued to them by the registered Shareholder and they should contact the registered Shareholder for assistance in issuing instruction on voting their Shares, or obtaining a Form of Proxy to vote in respect of the Resolutions.
4. All beneficial Shareholders who have dematerialised their Shares through a CSDP or broker, other than those in their own name, must provide the CSDP or broker with their voting instructions. Shareholders who have dematerialised their Shares, other than those in their own name, must not lodge the Voting Form attached to the Circular.
5. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided. The person whose name stands first on the Form of Proxy will be entitled to act as proxy to the exclusion of those whose names follow.
6. Please insert the number of votes in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Shares than you own in the Company, insert the number of Shares in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote, or to abstain from voting in respect of the Resolutions as he/she deems fit in respect of all the Shareholders' votes exercisable thereon. A Shareholder or the proxy is not obliged to use all the votes exercisable by the Shareholder, or by the proxy, but the total of votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or by the proxy.
7. Forms of proxy must be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited as follows:

**By hand**

Computershare Investor Services  
Proprietary Limited  
2<sup>nd</sup> Floor, Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

**By email**

Computershare Investor Services  
Proprietary Limited  
Email: proxy@computershare.co.za

so as to be received within 20 business days of the "Deemed Date" of the receipt of this Circular by a Shareholder (excluding the date of receipt hereof, and including the last day of the 20-business day period), being 07 September 2017, contemplated herein).

8. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from voting personally in respect of the Resolutions to the exclusion of any proxy appointed in terms thereof.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy.
10. Any alteration or correction made to this Form of Proxy must be initialed by the signatory/ies.

11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.
12. The Company may reject or accept a Form of Proxy which is completed and/or received other than in accordance with these notes, if it is satisfied as to the manner in which the Shareholder wishes to vote.

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

1. 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 4.3 below (section 58(2)).
2. 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)).
3. A proxy may delegate his or 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)).
4. Irrespective of the form of instrument used to appoint a proxy:
  - 4.1. 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));
  - 4.2. the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
  - 4.3. 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)).
5. 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 4.3 above (section 58(5)).
6. 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 Memorandum of Incorporation 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)).
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the Shareholder without direction, except to the extent that the Memorandum of Incorporation or proxy instrument provides otherwise (section 58(7)).



## **Ecsponent Limited Head Office**

First Floor, Acacia House  
Green Hill Village Office Park  
Cnr Botterklapper & Nentabos Streets  
The Willows, Pretoria  
+27 87 808 0100  
+27 86 432 3459  
info@ecsponent.com  
Registration no. 1998/013215/06

## **Ecsponent Financial Services South Africa**

First Floor, Acacia House  
Green Hill Village Office Park  
Cnr Botterklapper & Nentabos Streets  
The Willows, Pretoria, Gauteng  
+27 87 808 0100  
+27 86 432 3459  
info@ecsponent.com  
Registration no. 2006/012668/07 • FSP no. 32968

## **KwaZulu-Natal**

Seadoone Office Park  
34 Seadoone Road  
Doonside, KwaZulu-Natal  
+27 31 020 0181  
+27 31 020 0177  
info@ecsponent.com

## **Eastern Cape**

195 Cape Road, Millpark  
Port Elizabeth, 6001  
+27 41 110 0094  
+27 82 741 3888  
peadmin@ecsponent.com

## **Botswana**

Sixth Floor, Exponential Building  
Plot 54351  
New CBD  
Gaborone  
+267 391 8754  
+267 391 8758  
botswana@ecsponent.com

## **Swaziland**

7 The Gables  
Ezulwini  
Swaziland  
H106  
+268 241 71615  
+27 86 432 0684  
swaziland@ecsponent.com

## **Zambia**

Shop Number 6  
First Floor  
Building 2 Central Park  
Cairo Road  
Lusaka, Zambia  
zambia@ecsponent.com

**ecsponent.com**