

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this circular apply, *mutatis mutandis*, to this cover.

ACTION REQUIRED

- If you are in any doubt as to what action you should take, you should consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.
- If you have disposed of all of your Value Group shares, please forward this circular together with the attached form of proxy, to the purchaser to whom, or the CSDP or broker or agent through whom the disposal was effected.
- Value Group shareholders who hold dematerialised shares through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with a letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.
- Value Group shareholders are referred to page 2 of this circular, which sets out the action required by them.
- Value Group does not accept any responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised shares to notify such shareholder of the action required of them in respect of the B-BBEE Transaction Amendment set out in this circular.



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/002203/06)

Share code: VLE ISIN: ZAE000016507

("Value Group" or "the Company")

Circular to Value Group shareholders

regarding

- **the proposed amendment to the 2010 B-BBEE Transaction;**

and incorporating

- **a notice of a general meeting of Value Group shareholders; and**
- **a form of proxy (blue) for use by certificated shareholders and by dematerialised shareholders with own name registration.**

Sponsor



Attorneys to Value Group



Auditors and reporting accountants



Independent professional expert



Corporate adviser



Date of issue: Thursday, 22 June 2017

Corporate information

Registered office

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(PO Box 778, Isando, 1600)

Company secretary

iThemba Governance and Statutory Solutions Proprietary
Limited
(Registration number 2008/008745/07)
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Sponsor

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Auditors and reporting accountants

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35 Ferguson Road
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Corporate adviser

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Unit 3B Guild House,
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Attorneys to Value Group

Bowman Gilfillan Inc.
(Registration number 1998/021409/21)
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Independent professional expert

Mazars Corporate Finance Proprietary Limited
(Registration number 2003/029561/07)
54 Glenhove Road
Melrose Arch Estate, 2076
(PO Box 6697, Johannesburg, 2000)

Transfer secretaries

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

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Form of proxy for use by Value Group ordinary shareholders (blue) (certificated and own name dematerialised shareholders only)	<i>Attached</i>

Action required by Value Group shareholders

This circular is important and requires your immediate attention. The action you need to take is set out below. The definitions and interpretations commencing on page 4 of this circular apply, *mutatis mutandis*, in this section.

Please take careful note of the following provisions regarding the action required by Value Group shareholders.

THE GENERAL MEETING

The implementation of the B-BBEE Transaction Amendment is subject to, inter alia, Value Group shareholders passing the requisite resolutions at a general meeting of Value Group shareholders to be held at 11:00 on Friday, 21 July 2017 at Value Boardroom, Value City, Essex Road, Tunney, Germiston.

A notice convening the general meeting is attached hereto and forms part of this circular.

1. IF YOU HOLD DEMATERIALISED SHARES:

1.1 Own-name Registration

You are entitled to attend, or be represented by proxy, and may vote at the general meeting. If you are unable to attend the general meeting, but wish to be represented thereat, you must complete the attached form of proxy (blue), in accordance with the instructions contained therein, and return it to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank (or PO Box 61051, Marshalltown, 2107). For sake of affording the Transfer Secretaries a reasonable time period in which to attend to administrative matters, you are requested to return the form of proxy (blue) to the Transfer Secretaries to be received by no later than 11:00 on Wednesday, 19 July 2017; provided that you may nonetheless return the form of proxy (blue) to the Transfer Secretaries after 11:00 on Wednesday, 19 July 2017 but prior to the commencement of the general meeting.

1.2 Other than Own-name Registration

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or broker. You must not complete the attached form of proxy (blue). In accordance with the Custody Agreement between you and your CSDP or broker you must advise your CSDP or broker timeously if you wish to attend, or be represented at, the general meeting. Your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend, or to be represented at, the general meeting.

2. IF YOU HOLD CERTIFICATED SHARES

You are entitled to attend, or be represented by proxy, and may vote at the general meeting. If you are unable to attend the general meeting, but wish to be represented thereat, you must complete the attached form of proxy (blue), in accordance with the instructions contained therein, and return it to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank (or PO Box 61051, Marshalltown, 2107). For sake of affording the Transfer Secretaries a reasonable time period in which to attend to administrative matters, you are requested to return the form of proxy (blue) to the Transfer Secretaries to be received by no later than 11:00 on Wednesday, 19 July 2017; provided that you may nonetheless return the form of proxy (blue) to the Transfer Secretaries after 11:00 on Wednesday, 19 July 2017 but prior to the commencement of the general meeting.

Value Group 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 general meeting or any business to be conducted thereat.

Important dates and times

The definitions and interpretations commencing on page 4 of this circular apply, *mutatis mutandis*, to this salient dates and times section.

2017

Record date to determine which Value Group shareholders are eligible to receive the circular	Thursday, 15 June
Circular and notice of general meeting posted to Value Group shareholders and announced on SENS, on	Thursday, 22 June
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 11 July
Record date to be eligible to vote at the general meeting	Friday, 14 July
Last day to lodge proxy forms for general meeting (by 11:00), on	Friday, 21 July
General meeting to be held (at 11:00), on	Friday, 21 July
Results of general meeting released on SENS, on	Friday, 21 July

Notes:

1. The above dates and times are subject to change. Any such change will be released on SENS. All times are South African standard times.
2. Value Group shareholders are referred to page 2 of this circular for information on the action required to be taken by them.
3. If the general meeting is adjourned or postponed, forms of proxy (blue) submitted in respect of the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting.
4. The chairperson of the general meeting will accept proxies handed in at the meeting.

Definitions and interpretations

In this circular and the annexures thereto, the following expressions shall have the meanings set out opposite them, unless otherwise stated or the context indicates a contrary intention. Cognate expressions bear corresponding meanings, words denoting one gender shall import and include the others, natural persons shall import and include juristic persons and vice versa and the singular shall import and include the plural and vice versa, as follows:

“the 2010 B-BBEE Transaction”	the B-BBEE transaction implemented by Value Group in July 2010, as detailed in the circular to Value Group shareholders dated 1 July 2010, and summarised in paragraph 2 of this circular;
“the 2010 B-BBEE Transaction agreements”	the transaction agreements relating to the 2010 B-BBEE Transaction, including the Phosa SPV subscription agreement and Padiyachy SPV subscription agreement, the A Share subscription agreement, the Phosa SPV preference share subscription agreement and Padiyachy SPV preference share subscription agreement, the Phosa SPV and Padiyachy SPV relationship agreements and all agreements ancillary and related thereto as set out in detail in the circular to Value Group shareholders dated 1 July 2010;
“the Act”	the Companies Act, 2008 (Act 71 of 2008), as amended from time to time, including the Companies Regulations 2011;
“Associate”	has the meaning ascribed thereto in the Listings Requirements;
“A Share”	an unlisted convertible A ordinary share with a par value of R0.001 in the share capital of Value Group which will, subject to the A Share repurchase rights, convert into a Value Group ordinary share on the conversion date;
“the A Shares repurchase rights”	Value Group’s rights to repurchase from the Value Group Empowerment Trust at a repurchase consideration of R0.001 per A Share: <ul style="list-style-type: none">- such number of A Shares as may be determined in accordance with paragraph 2.4.5 of this circular; and- such number of A Shares as, at the calculation date, exceeds the number of units held by qualifying beneficiaries;
“the A Share subscription agreement”	the subscription agreement entered into between Value Group and the Value Group Empowerment Trust in respect of the specific issue of A Shares in terms of the 2010 B-BBEE Transaction;
“B-BBEE Act”	Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended;
“B-BBEE”	Broad-Based Black Economic Empowerment as contemplated in the B-BBEE Act;
“the B-BBEE Transaction Amendment”	the proposed amendments to the 2010 B-BBEE Transaction as more fully set out in paragraph 3 of this circular, including the Phosa SPV amendment, the Padiyachy SPV amendment and the employee empowerment scheme amendment;
“the B-BBEE Transaction Amendment agreement”	the agreement dated 13 June 2017 entered into between Value Group, Value Logistics, the Dr. Phosa Family Trust, the Padiyachy Family Trust, Dr. Phosa, Mano Padiyachy, Phosa SPV, Padiyachy SPV and the Value Group Empowerment Trust recording the terms and conditions of the B-BBEE Transaction Amendment;
“beneficiary”	a qualifying beneficiary selected and nominated from time to time by Value Group to participate in the employee empowerment scheme;
“black” or “black person”	in relation to any person, shall have the meaning ascribed to it in the B-BBEE Act and the Codes;
“the board”	the board of directors of Value Group in office from time to time;
“business day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“calculation date”	the 7 th anniversary of the effective date as initially proposed in terms of the 2010 B-BBEE Transaction;
“certificated shareholders”	holders of certificated shares;

“certificated shares”	Value Group ordinary shares which have not yet been dematerialised in terms of the requirements of STRATE;
“the or this circular”	this bound document dated Thursday, 22 June 2017 including the annexures, the notice of general meeting and the form of proxy;
“Codes”	the Codes of Good Practice issued by the South African Minister of Trade and Industry in terms of the B-BBEE Act;
“conversion date”	the day on which the remaining A Shares are to be converted into Value Group ordinary shares, being the business day following the day on which all the repurchased A Shares have been repurchased and cancelled by Value Group in accordance with the A Shares repurchase rights;
“CSDP”	a “participant” as defined in the Financial Markets Act, 2012 (Act 19 of 2012);
“dematerialise” or “dematerialisation”	the process whereby documents of title are incorporated into electronic records for the purposes of STRATE and “dematerialised” shall have a corresponding meaning;
“dematerialised shareholders”	the holders of dematerialised shares;
“dematerialised shares”	Value Group ordinary shares which have been converted into, or are otherwise held in, an electronic form as uncertificated shares and recorded in a sub-register of shareholders maintained by a CSDP or broker in terms of the requirements of STRATE;
“documents of title”	share certificates and/or certified transfer deeds or any other documents of title in respect of Value Group ordinary shares acceptable to Value Group;
“Dr. Phosa”	Dr. Nakedi Mathews Phosa (Identity number: 5209015784087), a non-executive director of Value Group;
“the Dr. Phosa Family Trust”	the trustees for the time being of the Nine Miles Trust (Master’s Reference No. IT3689/09), the beneficiaries of which include Dr. Phosa and members of his family;
“effective date”	the date on which the 2010 B-BBEE Transaction became effective being 23 July 2010;
“employee empowerment scheme”	the employee empowerment scheme implemented by Value Group in July 2010 through the formation of the Value Group Empowerment Trust, the creation of 10 429 010 A Shares and the specific issue of A Shares;
“employee empowerment scheme amendment”	the amendment recorded in the B-BBEE Transaction Amendment agreement in terms of which the calculation date is proposed to be extended by 5 years to the 12 th anniversary of the effective date;
“employee service requirement”	the minimum period over which a beneficiary must remain an employee of the Group to qualify for benefits under the employee empowerment scheme, being the period from the date units are allocated to the beneficiary concerned until the calculation date;
“the fairness opinion”	the fairness opinion issued by the IPE in terms of the Listings Requirements, the text of which appears in Annexure 3;
“the financial assistance”	the financial assistance provided by Value Logistics in terms of the Act to Phosa SPV and Padiyachy SPV, inter alia, as a result of the proposed extension of the Phosa SPV and Padiyachy SPV preference share redemption dates from the 7 th anniversary of the effective date to the 12 th anniversary, and the financial assistance, if any, provided by Value Group to the Value Group Empowerment Trust, inter alia, through, the extension of the calculation date from the 7 th anniversary of the effective date to the 12 th anniversary thereof;
“form of proxy”	the (blue) form of proxy attached to and forming part of this circular;
“the general meeting”	the general meeting of Value Group shareholders to be held at 11:00 on Friday, 21 July 2017, in the Value Group boardroom, Value City, Essex Road, Tunney, Germiston, to consider and if deemed appropriate, approve the resolutions set out in the notice of general meeting;
“the Group”	Value Group and all its subsidiaries;
“IFRS”	International Financial Reporting Standards;

Definitions and interpretations (continued)

“the IPE”	the Independent Professional Expert appointed by the board in terms of the Listings Requirements;
“the JSE”	JSE Limited, registration number 2005/022939/06, a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa and licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004);
“Key Distributors”	Key Distributors Proprietary Limited, registration number 2001/000964/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of South Africa;
“last practicable date”	Thursday, 15 June 2017, being the last practicable date prior to the finalisation of this circular;
“the Listings Requirements”	the Listings Requirements of the JSE in force from time to time;
“lock-in period”	a period commencing in terms of the 2010 B-BBEE Transaction on 23 July 2010 and ending on the later of: <ul style="list-style-type: none">- the 7th anniversary thereof; and- the date on which all Phosa SPV’s or Padiyachy SPV’s (as the case may be) liabilities to Value Logistics and Value Group are discharged;
“Mano Padiyachy”	Mr. Mano Padiyachy (Identity number: 6512155011081), an executive director of Value Group;
“MOI”	the Memorandum of Incorporation of Value Group;
“notice of general meeting”	the notice convening the general meeting of Value Group shareholders, which forms part of this circular;
“notional distribution”	the aggregate Value Group distribution per Value Group ordinary share declared during a notional period, multiplied by 10 429 010;
“notional interest rate”	the prime rate x (1 – normal rate of income tax); which at the last practicable date was 72% of the prime rate;
“notional loan”	the notional loan deemed to attach to the issued A Shares as summarised in paragraph 2.4.4 of this circular;
“notional period”	a period of 365 days ending on the day preceding each anniversary of the effective date, with the last notional period ending on the calculation date;
“the Padiyachy Family Trust”	the trustees for the time being of the Padiyachy Family Trust (Master’s Reference No. IT1194/2010), the beneficiaries of which include Mano Padiyachy and members of his family;
“Padiyachy SPV”	Diplobuzz Investments Proprietary Limited, registration number 2010/003796/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, and the ordinary shares of which are wholly owned by the Padiyachy Family Trust;
“the Padiyachy SPV amendment”	the amendment recorded in the B-BBEE Transaction Amendment agreement in terms of which the date on which the Padiyachy SPV preference shares are to be compulsory redeemed is extended by 5 years to the 12 th anniversary of their issue date;
“Padiyachy SPV preference share”	a no par value variable rate cumulative redeemable preference share in the share capital of Padiyachy SPV, the salient terms of which are summarised in paragraph 2.3.5 of this circular;
“Padiyachy SPV preference share subscription”	the subscription by Value Logistics for 6 257 406 Padiyachy SPV preference shares at an aggregate subscription price of R21 900 921 (being R3.50 per Padiyachy SPV preference share) in terms of the Padiyachy SPV preference share subscription agreement and the 2010 B-BBEE Transaction;
“Padiyachy SPV preference share subscription agreement”	the subscription agreement dated 26 May 2010 entered into between Value Logistics and Padiyachy SPV in respect of the Padiyachy SPV preference share subscription;

“Padiyachy SPV subscription agreement”	the subscription agreement dated 26 May 2010 entered into between Value Group and Padiyachy SPV in respect of the specific issue to Padiyachy SPV;
“Phosa SPV”	Opsiweb Investments Proprietary Limited, registration number 2010/002506/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, and the ordinary shares of which are wholly owned by the Dr. Phosa Family Trust;
“the Phosa SPV amendment”	the amendment recorded in the B-BBEE Transaction Amendment agreement in terms of which the date on which the Phosa SPV preference shares are to be compulsory redeemed is extended by 5 years to the 12 th anniversary of their issue date;
“Phosa SPV and Padiyachy SPV preference share/(s)”	Phosa SPV preference share and Padiyachy SPV preference share;
“Phosa SPV and Padiyachy SPV relationship agreements”	the agreement dated 24 April 2010 entered into between Value Group, Value Logistics, Phosa SPV, Dr. Phosa and the Trustees of the Dr. Phosa Family Trust governing the relationship between the parties thereto, and the agreement dated 26 May 2010 entered into between Value Group, Value Logistics, Padiyachy SPV, Mano Padiyachy and the trustees of the Padiyachy Family Trust governing the relationship between the parties thereto;
“Phosa SPV preference share”	a no par value variable rate cumulative redeemable preference share in the share capital of Phosa SPV, the salient terms of which are summarised in paragraph 2.3.5 of this circular;
“Phosa SPV preference share subscription”	the subscription by Value Logistics for 14 600 614 Phosa SPV preference shares at an aggregate subscription price of R51 102 149 (being R3.50 per Phosa SPV preference share) in terms of the Phosa SPV preference share subscription agreement and the 2010 B-BBEE Transaction;
“Phosa SPV preference share subscription agreement”	the subscription agreement dated 24 April 2010 entered into between Value Logistics and Phosa SPV in respect of the Phosa SPV preference share subscription;
“Phosa SPV subscription agreement”	the subscription agreement dated 24 April 2010 entered into between Value Group and Phosa SPV in respect of the specific issue to Phosa SPV;
“prime rate”	the publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrears and calculated on a 365-day year) from time to time published by Nedbank Limited (or its successor in title) as being its prime overdraft rate, as prima facie certified by any manager of that bank whose authority, appointment and designation need not be proved;
“qualifying beneficiary”	a current or future black employee of the Group, including a director, who falls within the C and D Peromness bands and who satisfies a set of objective criteria set by the board;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“register”	the register of Value Group ordinary shareholders (including the relevant sub-registers of the CSDPs administering the sub-registers of Value Group);
“remaining A Shares”	the number of A Shares held by the Value Group Empowerment Trust after the exercise, and the implementation, by Value Group of the A Shares repurchase rights;
“repurchased A Shares”	the number of A Shares to be repurchased by Value Group in terms of the A Shares repurchase rights;
“resolutions”	the special and ordinary resolutions to be considered at the general meeting and, if deemed fit, approved with or without modification by the requisite majority of Value Group shareholders for purposes of implementing the B-BBEE Transaction Amendment;
“SENS”	the Stock Exchange News Service operated by the JSE;
“South Africa”	the Republic of South Africa;
“specific issue of A Shares”	the specific issue (in terms of the Listings Requirements) of 10 429 010 A shares to the Value Group Empowerment Trust at an issue price of R0.001 per A Share in terms of the A Share subscription agreement and the 2010 B-BBEE Transaction;

Definitions and interpretations (continued)

“specific issue to Padiyachy SPV”	the specific issue (in terms of the Listings Requirements) of 6 257 406 Value Group ordinary shares to Padiyachy SPV at an issue price of R3.50 per Value Group ordinary share in terms of the Padiyachy SPV subscription agreement and the 2010 B-BBEE Transaction;
“specific issue to Phosa SPV”	the specific issue (in terms of the Listings Requirements) of 14 600 614 Value Group ordinary shares to Phosa SPV at an issue price of R3.50 per Value Group ordinary share in terms of the Phosa SPV subscription agreement and the 2010 B-BBEE Transaction;
“specific issues to Phosa SPV and Padiyachy SPV”	the specific issue to Phosa SPV and the specific issue to Padiyachy SPV;
“Strate”	the electronic settlement system used by the JSE and operated by Strate Limited, registration number 1998/022242/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of South Africa;
“sub-register”	the lists of Value Group ordinary shareholders maintained by a CSDP and forming part of the register;
“subsidiary”	a subsidiary as defined in the Act;
“the transfer secretaries”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of South Africa and being the transfer secretaries of Value Group;
“the Transport Sector Codes”	the Integrated Transport Sector Codes published from time to time in terms of section 9(1) of the B-BBEE Act;
“treasury shares”	shares issued by Value Group that are held by: i. a subsidiary of Value Group; and/or ii. by a trust, through a scheme and/or other entity, where the equity shares in the entity are controlled by Value Group from a voting perspective, the votes of which will not be taken into account for purposes of resolutions proposed pursuant to the provisions of the Listings Requirements;
“trustee”	a trustee of the Value Group Empowerment Trust from time to time;
“unit”	an indivisible single unit created in terms of the Value Group Empowerment trust deed and the 2010 B-BBEE Transaction for every one A Share held by the Value Group Empowerment Trust;
“Value Group” or “the company”	Value Group Limited, registration number 1997/002203/06, a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, all the issued ordinary shares of which are listed on the JSE;
“Value Group distribution”	a cash distribution (if any) by Value Group out of its share capital, share premium or other capital account, cash dividends (if any) paid by Value Group out of its distributable profits, a cash payment in lieu of capitalisation shares and any other cash distribution by Value Group to Value Group ordinary shareholders generally (as opposed to specifically) in their capacity as such;
“Value Group Empowerment Trust”	the trustees for the time being of the Value Group Empowerment Trust (Master’s Reference No. IT 1732/2010), the beneficiaries of which are current or future black employee of the Group, including a director, who falls within the C and D Peromness bands and who satisfies a set of objective criteria set by the board;
“Value Group ordinary share”	an ordinary share with a par value of R0.001 in the share capital of Value Group;
“Value Group ordinary shareholder”	a registered holder of a Value Group ordinary share;
“Value Group shareholder”	a registered holder of a Value Group ordinary share or A Share; and
“Value Logistics”	Value Logistics Limited, registration number 1920/000560/06, a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa and a wholly owned subsidiary of Value Group.



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1997/002203/06)
Share code: VLE ISIN: ZAE000016507
("Value Group" or "the Company")

Directors

CD Stein* (Chairman)
SD Gottschalk‡ (Chief Executive Officer)
CL Sack‡ (Financial Director)
IM Groves*
NM Phosa**
MM Padiyachy‡
VM Mcobothi*

* Independent non-executive

** Non-executive

‡ Executive

Circular to Value Group shareholders

1. INTRODUCTION

- 1.1 It was announced on SENS on 15 June 2017 that Value Group has entered into the B-BBEE Transaction Amendment agreement in terms of which Value Group proposes to amend the 2010 B-BBEE Transaction.
- 1.2 The 2010 B-BBEE Transaction was intended to mature on 23 July 2017. Due to Value Group's depressed share price, the funding liabilities attached to the 2010 B-BBEE Transaction are highly likely to exceed the equity value thereof. The board, subject to the requisite approval by Value Group shareholders, proposes a 5 year extension to the 2010 B-BBEE Transaction. All of the remaining terms of the 2010 B-BBEE Transaction will remain unchanged.
- 1.3 The B-BBEE Transaction Amendment is subject to the fulfilment of the suspensive condition that it be approved by Value Group shareholders. The resolutions set out in the notice of general meeting are included for the purpose of obtaining that approval.
- 1.4 Value Group has been advised by the JSE that in line with the approval obtained for the 2010 B-BBEE Transaction, the resolutions must be supported by 75% or more of the voting rights exercised on the resolutions by Value Group shareholders present or represented by proxy at the general meeting and entitled to exercise voting rights on the resolutions. Parties, and their associates, related to the 2010 B-BBEE Transaction and the B-BBEE Transaction Amendment will not be entitled to cast any votes in relation to the resolutions, in accordance with the Listings Requirements.
- 1.5 The purpose of this circular, and the accompanying notice of general meeting, is to provide Value Group shareholders with sufficient information and explanatory material regarding the B-BBEE Transaction Amendment to enable those Value Group shareholders who are entitled to vote on the resolutions to determine whether or not to participate in the general meeting and whether or not to vote in favour of the resolutions to be proposed at the general meeting.

2. THE 2010 B-BBEE TRANSACTION

2.1 The 2010 B-BBEE Transaction broadly consisted of the following two components:

- 2.1.1 the facilitation of a strategic empowerment shareholding in Value Group by Dr. Phosa, a non-executive director of Value Group, and Mano Padiyachy, an executive director of Value Group through the specific issues to Phosa SPV and Padiyachy SPV; and
- 2.1.2 an employee empowerment scheme which facilitated the empowerment of qualifying black Value Group employees by enabling them through the Value Group Empowerment Trust to acquire economic interests and voting rights in Value Group's issued share capital.

2.2 Following completion of the 2010 B-BBEE Transaction, the Value Group Empowerment Trust held 5% of Value Group's issued share capital, while Phosa SPV and Padiyachy SPV held 7% and 3%, respectively, in Value Group's issued share capital for a combined B-BBEE shareholding of 15% at the time.

2.3 Strategic empowerment shareholding

2.3.1 The strategic empowerment shareholding was implemented through:

- 2.3.1.1 the specific issue of 14 600 614 Value Group ordinary shares to Phosa SPV, a special purpose vehicle wholly owned by the Dr. Phosa Family Trust, the family trust of Dr. Phosa, at a subscription price of R3.50 per Value Group ordinary share, representing at the time, a discount of 1.4% to the volume weighted average price of R3.55 per Value Group ordinary share over the 30 trading days prior to signing the Phosa SPV subscription agreement;
- 2.3.1.2 the specific issue of 6 257 406 Value Group ordinary shares to Padiyachy SPV, a special purpose vehicle wholly owned by the Padiyachy Family Trust, the family trust of Mano Padiyachy at a subscription price of R3.50 per Value Group ordinary share, representing at the time, a discount of 3.0% to the volume weighted average price of R3.61 per Value Group ordinary share over the 30 trading days prior to signing the Padiyachy SPV subscription agreement;

2.3.2 The Value Group ordinary shares issued in terms of the specific issues to Phosa SPV and Padiyachy SPV were issued from Value Group's authorised but unissued share capital, rank *pari passu* in all respects with the other Value Group ordinary shares and were issued in terms of the MOI, the Act and the Listings Requirements, and are listed on the JSE.

2.3.3 The beneficiaries and trustees of the Dr. Phosa Family Trust include Dr. Phosa, a non-executive director of Value Group. The beneficiaries and trustees of Padiyachy SPV include Mano Padiyachy, an executive director of Value Group. Accordingly, Phosa SPV and Padiyachy SPV are related parties to Value Group, as defined in the Listings Requirements.

2.3.4 The specific issues to Phosa SPV and Padiyachy SPV were entirely funded through the subscription by Value Logistics for variable rate cumulative redeemable preference shares in the capital of Phosa SPV and Padiyachy SPV.

2.3.5 The salient terms and conditions of the Phosa SPV and Padiyachy SPV preference shares are set out below:

- 2.3.5.1 Preference dividends accrue at 72% of the prevailing prime rate, are cumulative in respect of accrued but unpaid dividends, and are compounded annually in arrears.
- 2.3.5.2 Phosa SPV and Padiyachy SPV are obliged to, on each date Value Group distributions are received in respect of the Value Group ordinary shares held by Phosa SPV and Padiyachy SPV, declare and pay preference dividends equal to the Value Group distributions so received after deducting taxes and reasonable expenses.
- 2.3.5.3 The Phosa SPV and Padiyachy SPV preference shares are redeemable on 23 July 2017 being the 7th anniversary of their issue date.
- 2.3.5.4 If the Phosa SPV and Padiyachy SPV preference shares are not redeemed on the 7th anniversary of their issue date, Value Logistics can, at its election, require Phosa SPV and Padiyachy SPV to sell Value Group ordinary shares to settle their outstanding obligations to Value Logistics.

2.3.6 Value Logistics entered into a pledge and cession agreement with each of Phosa SPV and Padiyachy SPV, in terms of which each of Phosa SPV and Padiyachy SPV pledged and ceded in *securitatem debiti* all its rights in respect of all the Value Group ordinary shares held by it and its bank accounts in favour of Value Logistics and Value Group as security for its obligations to Value Logistics and Value Group.

2.3.7 In terms of the 2010 B-BBEE Transaction, Phosa SPV and Padiyachy SPV are not allowed to dispose of or encumber any of their Value Group ordinary shares during the lock-in period, other than with the written consent of Value Group.

2.4 Employee empowerment scheme

- 2.4.1 The employee empowerment scheme was implemented through the specific issue of 10 429 010 A Shares, a class of convertible shares in the capital of Value Group created specifically to facilitate the employee empowerment scheme, to the Value Group Empowerment Trust at an issue price of R0.001 per A Share.
- 2.4.2 Although the issued A Shares are not listed, the JSE granted a dispensation from section 4.24 of the Listings Requirements allowing them to rank *pari passu* with Value Group ordinary shares in respect of voting rights. Each A Share has the same voting rights as each Value Group ordinary share. The A Shares do not participate in shareholder distributions of Value Group.
- 2.4.3 The A Shares in issue after implementation of the A Share repurchase rights on the calculation date will convert into Value Group ordinary shares as set out in paragraph 2.4.7 below.
- 2.4.4 The specific issue of A Shares was funded through a notional loan with an initial value of R36 501 535 (being 10 429 010 A shares with a deemed value of R3.50 per A Share). At the end of each notional period, the notional loan is:
- 2.4.4.1 increased by an accrual for notional interest, calculated daily and compounded annually in arrears;
 - 2.4.4.2 at the election of the board, increased by the amount of expenditure incurred by Value Group on behalf of the Value Group Empowerment Trust; and
 - 2.4.4.3 decreased by an amount equal to any notional distributions.
- 2.4.5 If the notional loan is not fully repaid by the calculation date being the 7th anniversary of the effective date, Value Group is entitled, at its discretion, to repurchase up to the number of issued A Shares calculated by dividing the notional loan balance at the calculation date by the volume weighted average price per Value Group ordinary share over the 30 trading days prior to the calculation date.
- 2.4.6 Before implementing any repurchase in paragraph 2.4.5 above, Value Group will repurchase at a price of R0.001 per A Share such number of issued A Shares as, at the calculation date, exceeds the number of units held by qualifying beneficiaries.
- 2.4.7 The remaining A Shares will be automatically converted into Value Group ordinary shares on a one-for-one basis and will be transferred to the beneficiaries who have met the employment service requirements, in proportion to the respective number of units held by the beneficiaries against payment of any taxes due by the beneficiaries. If a beneficiary fails to pay any taxes due, the trustees will be entitled to sell all or some of the beneficiary's Value Group ordinary shares to make payment of the tax due.
- 2.4.8 The Value Group Empowerment Trust created an aggregate of 10 429 010 units, being one for every issued A Share. Units are allocated to qualifying beneficiaries by the board. Any director who is a beneficiary and is also appointed as a trustee, must recuse himself from discussions and meetings relating to the allocation of units to beneficiaries.
- 2.4.9 Only current or future black employees of the Group nominated by the board who fall within the C and D Peromnes bands and who satisfy a set of objective criteria set by the board qualify as participants in the employee empowerment scheme.
- 2.4.10 Each beneficiary is required to remain in the employ of the Group at all times from the date units have been allocated to the beneficiary until the calculation date.
- 2.4.10.1 If a beneficiary ceases to be employed by the Group prior to the calculation date as a result of voluntary resignation, dismissal on the grounds of misconduct, poor performance or incapacity, or if a beneficiary disposes of, encumbers or enters into an agreement with a third party in respect of his units, he will cease to be a beneficiary and his units will be deemed to be cancelled.
 - 2.4.10.2 If a beneficiary ceases to be employed by the Group prior to the calculation date as a result of death, disability, retrenchment or ordinary retirement in terms of the rules of a retirement fund recognised by Value Group, he will be deemed to have remained in the employ of the Group until the calculation date but he (or a beneficiary's estate in the case of death), will only be entitled to receive his entitlement to Value Group ordinary shares on the conversion date.

3. PROPOSED AMENDMENT TO THE 2010 B-BBEE TRANSACTION

3.1 Rationale

- 3.1.1 The 2010 B-BBEE Transaction recognised the importance of B-BBEE as a key driver of sustainable economic growth and positive transformation in South Africa. Value Group continues to support South Africa's B-BBEE initiatives and aims to play an active role in the transformation of the South African logistics industry. It has implemented B-BBEE initiatives throughout the Group in areas of employment equity, skills development, preferential procurement and enterprise development. The 2010 B-BBEE Transaction aimed to achieve the requirements of the Transport Sector Codes and the goals of Value Group's B-BBEE strategy.
- 3.1.2 Due to Value Group's depressed share price, the funding liabilities attached to the 2010 B-BBEE Transaction are highly likely to exceed the equity value thereof. The board believes that if Value Group were to enforce its rights referred to in paragraphs 2.3.5.4, 2.4.5 and 2.4.6, it would result in a significant impairment in value for Phosa SPV, Padiyachy SPV and Value Group Empowerment Trust. The Board believes that this is not aligned with the spirit in which Value Group undertook the 2010 B-BBEE Transaction.

3.2 Proposed B-BBEE Transaction Amendment

- 3.2.1 The board, subject to the requisite approval by Value Group shareholders in terms of ordinary resolution number 1 in the notice of general meeting, proposes a 5 year extension to the 2010 B-BBEE Transaction through the extension of:
 - 3.2.1.1 the Phosa SPV and Padiyachy SPV preference share redemption dates from the 7th anniversary of the effective date to the 12th anniversary;
 - 3.2.1.2 the lock-in period to the later of the:
 - 3.2.1.2.1 12th anniversary of the effective date; and
 - 3.2.1.2.2 date on which all Phosa SPV's or Padiyachy SPV's (as the case may be) liabilities to Value Logistics and Value Group are discharged; and
 - 3.2.1.3 the calculation date from the 7th anniversary of the effective date to the 12th anniversary.
- 3.2.2 The remaining terms of the 2010 B-BBEE Transaction will remain unchanged.
- 3.2.3 The B-BBEE Transaction Amendment will provide an opportunity for Phosa SPV, Padiyachy SPV and Value Group Empowerment Trust to participate in the equity initially envisaged in the 2010 B-BBEE Transaction once the Value Group share price improves and allow for the continuation of Value Group's B-BBEE ownership objectives in accordance with its B-BBEE strategy, the B-BBEE Act and the Transport Sector Codes.

3.3 Proposed amendment to MOI

In addition to the above, a special resolution will be proposed at the general meeting to make a minor amendment to the MOI in relation to the A Shares, the purpose of which is to clarify that the rights and restrictions attached to the A Shares will be deemed not to be directly or indirectly adversely affected by the creation, issue or repurchase of ordinary shares or other classes of shares by Value Group.

3.4 Specific issue to related parties

- 3.4.1 Dr. Phosa and Mano Padiyachy are related parties to Value Group by virtue of their positions as directors of Value Group, while the Value Group Empowerment Trust is an interested party in the B-BBEE Transaction Amendment. Accordingly, the B-BBEE Transaction Amendment is deemed to be a specific issue of Value Group shares to related parties in terms of the Listings Requirements.
- 3.4.2 Phosa SPV, Padiyachy SPV, Value Group Empowerment Trust and their associates are not permitted to vote on any of the resolutions to be proposed at the general meeting.
- 3.4.3 Value Group has appointed Mazars Corporate Finance Proprietary Limited as IPE to provide a fairness opinion as to whether the B-BBEE Transaction Amendment is fair to Value Group shareholders. The fairness opinion is included in Annexure 3 to this circular.
- 3.4.4 Ordinary resolution number 1 in the notice of general meeting shall be deemed to constitute the resolution conferring the required shareholder approval in terms of the Listings Requirements for the B-BBEE Transaction Amendment, which has been deemed a specific issue of Value Group shares to related parties in terms of the Listing Requirements.

3.5. Financial assistance

- 3.5.1 Value Logistics has passed a special resolution as required in terms of the Act, authorising the financial assistance provided, inter alia, as a result of the proposed extension of the Phosa SPV and Padiyachy SPV preference share redemption dates as described in paragraph 3.2.1.1 above.
- 3.5.2 After considering the terms of the financial assistance described in paragraph 3.5.1 above, the board of Value Logistics is satisfied that the terms under which the financial assistance described in paragraph 3.5.1 above is provided is fair and reasonable to Value Logistics and that subsequent thereto:
- 3.5.2.1 Value Logistics will be able to pay its debts as they become due in the ordinary course of business; and
- 3.5.2.2 the assets of Value Logistics, fairly valued, will be in excess of the liabilities of Value Logistics. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in Value Group's latest audited consolidated annual financial statements.
- 3.5.3 Insofar as the B-BBEE Transaction Amendment entails the provision by Value Group of the financial assistance:
- 3.5.3.1 the board is satisfied that the terms under which the financial assistance is provided are fair and reasonable to Value Group and that subsequent thereto:
- 3.5.3.1.1 Value Group will be able to pay its debts as they become due in the ordinary course of business; and
- 3.5.3.1.2 the assets of Value Group, fairly valued, will be in excess of the liabilities of Value Group. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in Value Group's latest audited consolidated annual financial statements; and
- 3.5.3.2 ordinary resolution number 1 in the notice of general meeting shall be deemed to constitute a resolution conferring the required shareholder approval, in that ordinary resolution number 1 requires the support of at least 75% of the voting rights exercised on the resolution by Value Group shareholders, excluding Phosa SPV, Padiyachy SPV, the Value Group Empowerment Trust and any of their associates, present or represented by proxy at the general meeting and entitled to exercise voting rights on the resolution.

4. OPINION AND RECOMMENDATION

- 4.1 The IPE appointed by the board in terms of the Listings Requirements, has considered the terms and conditions of the B-BBEE Transaction Amendment and is of the opinion that such terms and conditions are fair to Value Group shareholders. The fairness opinion is included as Annexure 3 to this circular.
- 4.2 The board has considered the terms and conditions of the B-BBEE Transaction Amendment and the fairness opinion thereon and is of the opinion that the B-BBEE Transaction Amendment is fair and in the best interests of Value Group and its shareholders. The board therefore recommends that Value Group ordinary shareholders vote in favour of the resolutions to be proposed at the general meeting. Subject to paragraphs 3.4.1 and 3.4.2 above, the relevant board members intend to vote their Value Group ordinary shares in favour of the resolutions to be proposed at the general meeting.

5. PRO FORMA FINANCIAL EFFECTS

- 5.1 The table below and Annexure 1 of this circular contain the pro forma financial effects which illustrate the impact of the B-BBEE Transaction Amendment on the earnings per share, headline earnings per share, net asset value per share and net tangible asset value per share of Value Group for the twelve months ended 28 February 2017. The Independent Reporting Accountants' report on the pro forma financial information of Value Group is contained in Annexure 2.
- 5.2 The pro forma financial information is presented in accordance with the provisions of the Listings Requirements and the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants. These pro forma financial effects are the responsibility of the directors.
- 5.3 The pro forma financial effects are presented in a manner consistent with the basis on which the historical financial information of Value Group has been prepared and in terms of Value Group's accounting policies applied for the 28 February 2017 financial year. The pro forma financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Value Group's financial position, changes in equity or results of operations post the implementation of the B-BBEE Transaction Amendment.

- 5.4 It has been assumed for purposes of the pro forma financial effects that the B-BBEE Transaction Amendment took place with effect from 1 March 2016 for statement of comprehensive income purposes, and on 28 February 2017 for statement of financial position purposes.

	Before ⁽¹⁾	After ^(2&3)	% Change
Earnings per share (cents)	57.2	45.2	(21.0)
Headline earnings per share (cents)	61.9	49.8	(19.5)
Diluted earnings per share (cents)	57.2	45.2	(21.0)
Diluted headline earnings per share (cents)	61.9	49.8	(19.5)
Net asset value (cents)	522.5	521.9	(0.1)
Net tangible asset value (cents)	501.2	500.6	(0.1)
Number of shares in issue ('000) ⁽⁴⁾	154,146	154,146	
Weighted number of shares in issue ('000) ⁽⁴⁾	154,389	154,389	
Diluted number of shares in issue ('000) ⁽⁴⁾	154,389	154,389	

Notes:

- (1) *Extracted from the audited financial results of Value Group for the year ended 28 February 2017.*
- (2) *The economic substance of the 2010 B-BBEE Transaction for accounting purposes was the granting of a call option on Value Group ordinary shares. On initial recognition, the derivative liability was measured at fair value using the Black Scholes Option Valuation Model and treated for accounting purposes in terms of Financial Reporting Guide 2 – Accounting for B-BBEE transactions, as issued by SAICA. The B-BBEE Transaction Amendment has the effect of increasing the fair value of the derivative liability. The incremental fair value of the beneficial amendment to the option terms has been determined in accordance with paragraph B43(a) of IFRS 2 Share Based Payments using the Black Scholes Option Valuation Model. The inputs to this model have been based on the market information and pricing statistics as at the last practicable date. The incremental fair value attributable to the Phosa SPV amendment has been estimated at R15.167 million. Since there is no service condition linked to the Phosa SPV amendment, this amount has been expensed immediately in terms of Financial Reporting Guide 2 – Accounting for B-BBEE transactions, as issued by SAICA. The incremental fair value attributable to the Padiyachy SPV and the employee empowerment scheme amendment has been estimated at R13.291 million. Since Mano Padiyachy and the employee empowerment scheme are subject to service conditions, the incremental fair value will be amortised over 5 years in accordance with Financial Reporting Guide 2 – Accounting for B-BBEE transactions, as issued by SAICA. The combined amount so amortised (relating to the Padiyachy SPV and employee empowerment scheme) has been estimated at R2.658 million for the year ended 28 February 2017.*
- Transaction costs associated with the B-BBEE Transaction Amendment have been expensed.*
- (3) *For purposes of calculating pro forma net asset value per share and tangible net asset value per share it has been assumed that the B-BBEE transaction was effective on 28 February 2017.*
- (4) *Phosa SPV, Padiyachy SPV and the Value Group Empowerment Trust are consolidated by Value Group in accordance with the provisions of IFRS 10: Consolidated Financial Statements. Accordingly, the number of shares in issue and the weighted number of shares in issue were not impacted by the 2010 B-BBEE Transaction and will also not be impacted by the B-BBEE Transaction Amendment.*
- (5) *The option value attributable to the Phosa SPV amendment, which has been estimated at R15.167 million and immediately expensed in terms of Financial Reporting Guide 2 – Accounting for B-BBEE transactions, as issued by SAICA as well as transaction costs, will not have a continuing effect on the results of Value Group. All other adjustments will have a continuing effect over the ensuing 5 years.*

6. INFORMATION RELATING TO VALUE GROUP

6.1 Incorporation

6.1.1 Value Group was incorporated in South Africa on 18 February 1997. On 26 October 1998, Value Group's shares were listed on the JSE following the unbundling by Vestacor Limited of its 30% interest in Value Group.

6.2.1 Value Group is listed on the JSE under the share code VLE in the Transportation Services sector.

6.2 Nature of business

Value Group provides a diverse range of services which include distribution, transport, clearing and forwarding, warehousing, container and fleet management, forklift and commercial vehicle rental and leasing.

6.2.1 Warehousing

The Group operates fully owned and managed world-class warehouses in excess of 350 000 square meters nationally, supported by state of the art Warehouse Management Systems and IT infrastructure. The warehouses are integrated into the logistics network of the business to allow for accuracy and efficiency in carrying out the various processes. Barcode scanning and batch tracking is made available to further improve the service offering. The Group's warehousing function is fully integrated with the distribution division. Facilities are strategically positioned throughout Southern Africa, creating the opportunity for the Group's customers to supply products to their customers and stores nationally.

6.2.2 Distribution

The Group has positioned itself as a leader in its field through expanding its services from basic truck rentals to fully outsourced supply chain solutions that include customised door-to-door offerings via road, air and sea. Highly skilled logistics staff are trained to understand their customers' requirements and are supported by national and cross-border infrastructure driven through effective technology. Customers benefit from the advantage of the Group's vast size and infrastructure, with the Group boasting in excess of approximately 2,650 vehicles and sophisticated routing and scheduling capabilities.

6.2.3 Transport

The Group offers a wide range of vehicles and services to cater for specific customer needs, ranging from truck rental, refrigerated fleets, full maintenance leases and dedicated distributions. Value Logistics manages all facets of the transportation function. Its services include achievement of agreed service levels, flexibility to increase the size of the fleet to cater for peak demand periods, management of drivers, relevant reporting and safe and flexible delivery of stock.

6.2.4 Repairs and maintenance

Value Group maintains and repairs its fleet of vehicles, as well as those of external customers, at dedicated workshops situated in all the major centres throughout South Africa, serviced by highly skilled technicians. The accredited workshops are fully equipped to repair and maintain all types of vehicles. All vehicles are maintained to a high mechanical standard and road tested to ensure operational efficiency and safety. A 24-hour centralised call centre is operated by Value Group to manage and co-ordinate recovery and repair.

6.2.5 Materials handling

Value Group is a distributor of materials handling equipment in Southern Africa. The Group's extensive national footprint ensures clients in all provinces have maximum flexibility in selecting the right equipment for their needs. The Group offers outright purchase, full maintenance leasing, maintenance packages, spare parts and all-inclusive long-term and short-term rental options with 24 hour back-up service.

6.2.6 Imports and exports

Being part of a global network of forwarders, the Group and its clients are given full international exposure. With a network of agents represented in 190 countries, cargo can be moved to or from almost any country in the world and delivered door-to-door.

6.2.7 Key Distributors

Key Distributors carries on the business of warehousing, distributing and wholesaling of a variety of fast moving consumer goods (FMCG) into the formal and informal trade, including independent traders, fuel forecourts and small retailers. Key Distributors operates in Gauteng, Polokwane, Nelspruit and Bloemfontein and is expanding into the Western Cape by utilising the Value Group's existing infrastructure in the region.

6.3 Prospects

In the opinion of the board, the recent downgrade of the country's sovereign credit rating by the major credit rating agencies to junk status, political uncertainty and poor growth rates do not bode well for a short-term improvement in the South African economy. The Group's logistics break bulk and freightpak operations are experiencing volume decline. The board is actively pursuing organic and acquisitive revenue growth opportunities to counteract the decline. Value Group's remaining divisions are operating in accordance with expectation. Further restructuring opportunities are being pursued to reduce operational and overhead costs. The significant cost cutting exercise undertaken to date places the Group in a favourable position to benefit from any increase in revenue streams which may materialise.

7. SHARE CAPITAL OF VALUE GROUP

7.1 The table below sets out the authorised and issued share capital of Value Group at the last practicable date and after the implementation of the B-BBEE Transaction Amendment:

7.1.1 Before the B-BBEE Transaction Amendment

	Shares	R'000
Authorised		
Ordinary shares of R0.001 each	500 000 000	500
A ordinary shares of R0.001 each	10 429 010	10
Issued		
Ordinary shares of R0.001 each	186 427 478	186
A ordinary shares of R0.001 each	10 429 010	10
Share premium		10 643
		10 839

7.1.2 After the B-BBEE Transaction Amendment

	Shares	R'000
Authorised		
Ordinary shares of R0.001 each	500 000 000	500
A ordinary shares of R0.001 each	10 429 010	10
Issued		
Ordinary shares of R0.001 each	186 427 478	186
A ordinary shares of R0.001 each	10 429 010	10
Share premium		10 643
		10 839

7.2 In the past three years, there have been no issues of securities by Value Group or its subsidiaries.

7.3 At the last practicable date, Value Logistics held 11 830 346 Value Group ordinary shares as treasury shares.

8. TRADING HISTORY OF VALUE GROUP ORDINARY SHARES ON THE JSE

8.1 The trading history of Value Group ordinary shares on the JSE is set out in Annexure 4 to this circular.

9. MAJOR SHAREHOLDERS OF VALUE GROUP

9.1 At the last practicable date, so far as it is known to the directors, the following shareholders, other than directors of Value Group, had a beneficial interest in 5% or more of the issued share capital of Value Group:

Shareholder	Number of Value Group ordinary shares held	Number of A Shares held	% of total issued ordinary shares	% of total voting rights
Value Logistics (treasury shares)	11 830 346	-	6.3	6.0
Foord Asset Management Proprietary Limited	10 066 133	-	5.4	5.1
Value Group Empowerment Trust (A Shares)	-	10 429 010	-	5.3
Total	21 896 479	10 429 010	11.7	16.4

9.2 The table in paragraph 9.1 above will not change as a result of the B-BBEE Transaction Amendment.

10. DETAILS RELATING TO DIRECTORS AND MANAGEMENT

The details of directors and management of Value Group and its major subsidiaries are set out in Value Group's audited annual financial statements for the year ended 28 February 2017 and will not change as a result of the B-BBEE Transaction Amendment.

10.1 Directors' remuneration

There will be no variation in the remuneration to be received by any of the Value Group directors as a consequence of the B-BBEE Transaction Amendment.

10.2 Directors' interests in securities

10.2.1 The direct and indirect beneficial interests of the directors (and their Associates), including any director who resigned within the last 18 months, in Value Group ordinary shares as of the last practicable date, are set out below:

Director	Direct		Indirect		Total	% of total issued ordinary shares
	Beneficial	Non-beneficial	Beneficial	Non-beneficial		
Executive						
SD Gottschalk	-	-	-	95 929 020	95 929 020	51.5
CL Sack	1 700 000	-	-	-	1 700 000	0.9
MM Padiyachy	375 000	-	6 257 406	-	6 632 406	3.6
Non-executive						
NM Phosa	45 500	-	14 600 614	-	14 646 114	7.9
CD Stein	373 070	-	-	-	373 070	0.2
IM Groves	-	-	-	-	-	-
Total	2 493 570	-	20 858 020	95 929 020	119 280 610	64.1

10.2.2 There have been no changes in the directors' interest in Value Group ordinary shares between the date of its preceding financial year end, being 28 February 2017, and the last practicable date.

10.3 Directors interest in transactions

- 10.3.1 Leases on properties have been entered into with companies controlled by a director, Mr SD Gottschalk. The risk of continuity of securing the premises, which are integral to the Group's operations, is therefore reduced. All rentals and rental escalations on these properties are determined by independent valuers taking into account the future prospects and demand for properties in the relevant area with reference to rentals achieved and vacancy rates, as well as the condition and state of improvements of the said properties.
- 10.3.2 Escalations on these leases vary from 8% to 9%, and the lease periods range from month to month to 10 years. Most lease rentals are independently assessed every two to five years and lease rentals and escalations are adjusted to align these with current market conditions. This specific reassessment is viewed by the Group as being advantageous since this condition is not normally available in the market place.
- 10.3.3 Property lease rentals paid to companies controlled by Mr SD Gottschalk during the financial year ended 28 February 2017 and associated future estimated lease commitments are as follows:

	Year ended 28 February 2017	Due within one year	Due over a maximum of 9 years thereafter
R'000			
To property companies controlled by Mr SD Gottschalk	175 993	186 450	1 439 981

- 10.3.4. Save as set out in 10.3.3 above and save for Dr. Phosa and Mano Padiyachy in respect of the 2010 B-BBEE Transaction and the B-BBEE Transaction Amendment, none of the directors of Value Group or the Group have any material beneficial interest, whether directly or indirectly, in any transaction effected by Value Group or the Group in the current or immediately preceding financial year, or during an earlier financial year which remains in any respect outstanding or unperformed.

10.4 Directors service contracts

- 10.4.1 The directors are appointed to the board based on their ability to contribute expertise and experience appropriate to achieving the Group's objectives as a leading logistics service provider.
- 10.4.2 Directors are not employed on fixed-term service contracts and have standard employment agreements with standard terms and conditions.
- 10.4.3 Mr. SD Gottschalk's employment agreement makes provision for a notice period of 3 months and a restraint of trade period of 3 years after termination of employment, while the employment contracts of Messrs CL Sack and MM Padiyachy include a restraint of trade undertaking for 2 years after termination of employment. No payments have been made in respect of any of the above restraint undertakings.

11. MATERIAL CONTRACTS

11.1 Value Group announced on 18 December 2015 that it entered into an agreement to acquire 100% of the ordinary share capital of Key Distributors from Messrs G.C. Peters, W. Barnard, B. Johnson and J. Colyn for a maximum cash consideration of R32.7 million, which was payable in three tranches. The first tranche of R19.6 million was paid during the financial year ended 28 February 2017. The second and third tranches are subject to Key Distributors achieving profit warranties and have been accrued for as vendor liabilities in the audited financial statements of Value Group for the year ended 28 February 2017.

11.2 Other than the above and the B-BBEE Transaction Amendment agreement, there has been no material contract entered into by Value Group or its subsidiaries within the two years prior to the date of this circular or at any time before that containing an obligation or settlement that at the date of this circular is material to Value Group or its subsidiaries.

12. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Value Group and its subsidiaries since the publication of Value Group's preliminary results for the year ended 28 February 2017.

13. TRANSACTION EXPENSES

The estimated expenses, excluding VAT, relating to the B-BBEE Transaction Amendment are detailed below:

Service provider	Work performed	R
HJLConsult	Corporate advisory services	300 000
Baker Tilly SVG	Independent Reporting Accountant	80 000
Bowman Gilfillan Inc.	Legal services	100 000
Investec Bank Limited	Sponsor services	100 000
Mazars Corporate Finance Proprietary Limited	Fairness opinion	100 000
JSE	Documentation fee	28 360
Computershare	Secretarial services	20 000
WB Corporate Communications	Publishing and printing	80 105
Total		808 465

14. EXPERTS CONSENTS

The sponsor, attorneys and corporate adviser have all provided their written consent to their names being published in this circular and have not withdrawn their consent prior to the publication of this circular. The Independent Reporting Accountant and the IPE have provided their written consent to their names and reports being included in this circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this circular.

15. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have during the twelve months preceding the date of this circular, had a material effect on the financial position of Value Group and the board is not aware of any proceedings that would have a material effect on the financial position of Value Group or which are pending or threatened against Value Group or its subsidiaries.

16. DIRECTORS RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 9 of this circular, insofar as any information in this circular relates to Value Group, 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 other facts that have been omitted which would make any statement relating to Value Group false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this document contains all information required by law and the Listings Requirements.

17. GENERAL MEETING

A notice convening the general meeting is included in this circular. The general meeting will be held in the Value Group boardroom, Value City, Essex Road, Tunney, Germiston, at 11:00 on Friday, 21 July 2017.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Value Group during business hours (excluding Saturdays, Sundays and South African public holidays) from the date of issue of this circular up to and including Friday, 21 July 2017 (both days inclusive):

- the memoranda of incorporation of Value Group and its major subsidiaries;
- a signed copy of this circular;
- the 2010 B-BBEE Transaction agreements;
- B-BBEE Transaction Amendment agreement;
- the Value Group Empowerment Trust deed;
- material contracts referred to in paragraph 11.1 of this circular;
- the audited annual financial statements of Value Group for each of the three financial years ended on 28 February 2015, 29 February 2016; and 28 February 2017;
- directors' employment contracts;
- the report of the Independent Reporting Accounts on the pro forma financial information;
- the fairness opinion; and
- the consent letters from the corporate adviser, sponsor, the attorneys, the IPE and the Independent Reporting Accountant.

By order of the board

CL Sack
Group Financial Director
Isando
22 June 2017

Registered office:
49 Brewery Road
Isando 1601
(PO Box 778, Isando, 1600)

Pro forma statement of comprehensive income and statement of financial position

The pro forma statement of comprehensive income and statement of financial position illustrate the impact of the B-BBEE Transaction Amendment on the most recently published audited financial results of Value Group for the year ended 28 February 2017. The pro forma financial information has been prepared for illustrative purposes only and is the responsibility of the directors. Due to the nature of pro forma financial information, it may not fairly present Value Group's financial position or results after the B-BBEE Transaction Amendment. The independent reporting accountant's report on the pro forma financial information is set out in Annexure 2 to this circular.

Value Group Limited

Consolidated statement of comprehensive income

	B-BBEE Transaction Amendment						After the B-BBEE Transaction Amendment R'000
	Before ⁽¹⁾ R'000	Phosa SPV amend-ment ⁽²⁾ R'000	Padiyachy SPV amend-ment ⁽³⁾ R'000	Employee empowerment scheme amend-ment ⁽⁴⁾ R'000	Consolidation of Phosa SPV, Padiyachy SPV and Trust ⁽⁵⁾ R'000	Transaction expenses ⁽⁶⁾ R'000	
Revenue	2 452 766	-	-	-	-	-	2 452 766
Cost of sales	(1 645 066)	-	-	-	-	-	(1 645 066)
Gross profit	807 700	-	-	-	-	-	807 700
Other income	25 092	-	-	-	-	-	25 092
Operating expenses	(697 378)	(15 167)	(1 300)	(1 358)	-	(808)	(716 011)
Operating profit	135 414	(15 167)	(1 300)	(1 358)	-	(808)	116 781
Share of profit of equity accounted investees	44	-	-	-	-	-	44
Fair value adjustment	(509)	-	-	-	-	-	(509)
Investment income	17 751	4 194	1 798	-	(5 992)	-	17 751
Finance	(32 353)	-	-	-	-	-	(32 353)
Net profit before taxation	120 347	(10 973)	498	(1 358)	(5 992)	(808)	101 714
Taxation	(36 740)	-	-	-	-	-	(36 740)
Net profit for the year	83 607	(10 973)	498	(1 358)	(5 992)	(808)	64 974
Other comprehensive income to be reclassified to profit or loss in subsequent periods							
Foreign currency translation differences	(192)	-	-	-	-	-	(192)
Total comprehensive income for the year	83 415	(10 973)	498	(1 358)	(5 992)	(808)	64 782
Net profit for the year attributable to:							
Owners of the Company	88 341	(10 973)	498	(1 358)	(5 992)	(808)	69 708
Non-controlling interests	(4 734)	-	-	-	-	-	(4 734)
	83 607	(10 973)	498	(1 358)	(5 992)	(808)	64 974
Total comprehensive income for the year attributable to:							
Owners of the Company	88 149	(10 973)	498	(1 358)	(5 992)	(808)	69 516
Non-controlling interests	(4 734)	-	-	-	-	-	(4 734)
	83 415	(10 973)	498	(1 358)	(5 992)	(808)	64 782
Headline earnings reconciliation:							
Net profit for the year	88 341	(10 973)	498	(1 358)	(5 992)	(808)	69 708
Loss on disposal of Property, vehicles, plant and equipment, non-current assets held for sale and intangible assets, less taxation	1 559	-	-	-	-	-	1 559
Goodwill impairment (net of minority interest effect)	5 663	-	-	-	-	-	5 663
Headline earnings	95 563	(10 973)	498	(1 358)	(5 992)	(808)	76 930
Shares in issue ('000):							
Weighted	154 389	-	-	-	-	-	154 389
Diluted	154 389	-	-	-	-	-	154 389
Earnings per share (cents)	57.2						45.2
Headline earnings per share (cents)	61.9						49.8
Diluted earnings per share (cents) ⁽⁷⁾	57.2						45.2
Diluted headline earnings per share (cents) ⁽⁷⁾	61.9						49.8

Notes and assumptions:

- (1) *Extracted from the audited financial results of Value Group for the year ended 28 February 2017.*
- (2) *Adjustment to reflect the extended preference share redemption date in terms of the Phosa SPV amendment. The economic substance of the original specific issue of ordinary shares to Phosa SPV and the related Phosa SPV preference share subscription for accounting purposes, was the granting of a call option on Value Group ordinary shares to Phosa SPV. On initial recognition, the derivative liability was measured at fair value and expensed immediately in terms of Financial Reporting Guide 2 – Accounting for B-BBEE transactions, as issued by SAICA. The Phosa SPV amendment has the effect of increasing the fair value of the derivative liability. The incremental fair value of the beneficial amendment to the option terms has been determined in accordance with paragraph B43(a) of IFRS 2 Share Based Payments using the Black Scholes Option Valuation Model at R15.167 million. The inputs to this model have been based on the market information and pricing statistics as at the last practicable date. Since there is no service condition linked to the Phosa SPV amendment, the amount has been expensed immediately in terms of Financial Reporting Guide 2 – Accounting for B-BBEE transactions, as issued by SAICA. The adjustment for investment income of R4.194 million represents the preference dividends receivable by Value Logistics at 72% of prime. However, this investment income is eliminated on consolidation.*
- (3) *Adjustment to reflect the extended preference share redemption date in terms of the Padiyachy SPV amendment. The economic substance of the original specific issue of ordinary shares to Padiyachy SPV and the related Padiyachy SPV preference share subscription for accounting purposes, was the granting of a call option on Value Group ordinary shares to Padiyachy SPV. On initial recognition, the derivative liability was measured at fair value and because the Padiyachy SPV was subject to a service condition, the derivative liability was amortised over 7 years in accordance with IFRS 2: Share Based Payments. The Padiyachy SPV amendment has the effect of increasing the fair value of the derivative liability. The incremental fair value has been determined in accordance with paragraph B43(a) of IFRS 2 Share Based Payments using the Black Scholes Option Valuation Model at R6.500 million. The inputs to this model have been based on the market information and pricing statistics as at the last practicable date. Since the service condition relating to Mano Padiyachy has been extended by 5 years, the incremental fair value will be amortised over that period resulting in a charge of R1.300 million. The adjustment for investment income of R1.798 million represents the preference dividends receivable by Value Logistics at 72% of prime. However, this investment income is eliminated on consolidation.*
- (4) *Adjustment to reflect the extended repayment date of the notional loan attached to the initial issue of A Shares to the Value Group Empowerment Trust. The economic substance of the original specific issue of A Shares to the Value Group Empowerment Trust, was the granting of a call option on Value Group ordinary shares to the Value Group Empowerment Trust. On initial recognition, the derivative liability was measured at fair value and because the Employment Empowerment Scheme was subject to a service condition, the derivative liability was amortised over 7 years in accordance with IFRS 2: Share Based Payments. The Employee Empowerment Scheme amendment has the effect of increasing the fair value of the derivative liability. The incremental fair value has been determined in accordance with paragraph B43(a) of IFRS 2 Share Based Payments using the Black Scholes Option Valuation Model at R6.791 million. The inputs to this model have been based on the market information and pricing statistics as at the last practicable date. Since the service condition relating to the Employee Empowerment Scheme has been extended by 5 years, the incremental fair value will be amortised over that period resulting in a charge of R1.358 million.*
- (5) *Adjustment to reflect the consolidation of Phosa SPV, Padiyachy SPV and the Value Group Empowerment Trust in terms of IFRS 10: Consolidated Financial Statements.*
- (6) *Adjustment to reflect the transaction costs associated with the B-BBEE Transaction Amendment.*
- (7) *The B-BBEE Transaction Amendment has no initial dilutionary effect in terms of IAS 33: Earnings per share.*
- (8) *The option value attributable to the Phosa SPV amendment, which has been estimated at R15.167 million and immediately expensed in terms of Financial Reporting Guide 2 – Accounting for B-BBEE transactions, as issued by SAICA as well as transaction costs, will not have a continuing effect on the results of Value Group. All other adjustment will have a continuing effect over the ensuing 5 years.*

Value Group Limited

Consolidated statement of financial position

	B-BBEE Transaction Amendment					After the B-BBEE Transaction Amendment
	Before ⁽¹⁾ R'000	Phosa SPV amend- ment ⁽²⁾ R'000	Padiyachy SPV amend- ment ⁽²⁾ R'000	Employee empower- ment scheme amendment ⁽²⁾ R'000	Transaction expenses ⁽³⁾ R'000	
Assets						
Non-current assets	1 028 466	-	-	-	-	1 028 466
Property, vehicles, plant and equipment	990 573	-	-	-	-	990 573
Intangible assets	12 655	-	-	-	-	12 655
Goodwill	20 152	-	-	-	-	20 152
Loan receivable	1 568	-	-	-	-	1 568
Equity-accounted investees	357	-	-	-	-	357
Deferred tax	3 161	-	-	-	-	3 161
Current assets	502 371	-	-	-	(808)	501 563
Inventories	67 033	-	-	-	-	67 033
Trade and other receivables	298 900	-	-	-	-	298 900
Other financial asset	8 434	-	-	-	-	8 434
Current tax receivable	1 551	-	-	-	-	1 551
Cash and cash equivalents	126 453	-	-	-	(808)	125 645
Non-current assets held for sale	10 701					10 701
Total assets	1 541 538	-	-	-	(808)	1 540 730
Equity and liabilities						
Capital and reserves	805 338	-	-	-	(808)	804 530
Non-controlling interests	(5 740)	-	-	-	-	(5 740)
Non-current liabilities	308 336	-	-	-	-	308 336
Interest bearing borrowings	121 341	-	-	-	-	121 341
Non-interest bearing borrowings	2 535	-	-	-	-	2 535
Vendor for acquisition	3 268	-	-	-	-	3 268
Deferred tax	181 192	-	-	-	-	181 192
Current liabilities	433 604	-	-	-	-	433 604
Trade and other payables	345 291	-	-	-	-	345 291
Current portion of interest bearing borrowings	77 703	-	-	-	-	77 703
Vendor for acquisition	9 804	-	-	-	-	9 804
Other financial liabilities	123	-	-	-	-	123
Current tax payable	161	-	-	-	-	161
Shareholders for dividend	522	-	-	-	-	522
Total equity and liabilities	1 541 538	-	-	-	(808)	1 540 730
Number of ordinary shares in issue ('000):	186 427	-	-	-	-	186 427
Number of ordinary shares in issue excluding treasury shares ('000):	154 146	-	-	-	-	154 146
Net asset value per share (cents)	522.5					521.9
Net tangible asset value per share (cents)	501.2					500.6

Notes and assumptions:

- (1) Extracted from the audited financial results of Value Group for the year ended 28 February 2017.
- (2) The respective shares have already been issued to each of Phosa SPV, Padiyachy SPV and the Value Group Empowerment Trust. Accordingly, the B-BBEE Transaction Amendment, other than in respect of transaction costs, does not have an impact on Value Group's Statement of Financial Position.
- (3) Adjustment to reflect the transaction costs associated with the B-BBEE Transaction Amendment.

Independent reporting accountants' report on the pro forma financial information

"19 June 2017

The Directors
Value Group Limited
49 Brewery Road
Isando
1600

Dear Sirs

Independent reporting accountant's assurance report on the compilation of pro forma financial information included in a circular

We have completed our assurance engagement to report on the compilation of pro forma financial information of Value Group Limited by the directors. The pro forma financial information, as set out in Paragraph 5 and Annexure 2 of the circular, consists of the Pro Forma Statement of Comprehensive Income and the Pro Forma Statement of Financial Position and related notes. 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 corporate action or event, described in Paragraph 3 of the circular, on the company's financial position as at 28 February 2017, and the company's financial performance for the year then ended, as if the corporate action or event had taken place at 1 March 2016, being the commencement date of the financial year for the purposes of the Pro Forma Statement of Comprehensive Income and at 28 February 2017, being the last day of the financial year for the purposes of the Pro Forma Statement of Financial Position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's financial statements for the year ended 28 February 2017, on which an unmodified auditor's report was issued on 13 June 2017.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Paragraph 5 and Annexure 2 of the circular.

Quality control

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

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Accountant's 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 specified in the JSE Listings Requirements 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 specified in the JSE Listings Requirements.

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

As the purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 28 February 2017 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Paragraph 5 and Annexure 2 of the circular.

Baker Tilly SVG
L Vroom
Partner
Registered Auditor
19 June 2017

35 Ferguson Road
Illovo”

Independent professional expert's report

"19 June 2017

The Directors

Value Group Limited
49 Brewery Road
Isando
1601

Dear Sirs,

INDEPENDENT FAIRNESS OPINION IN RESPECT OF THE PROPOSED AMENDMENT TO THE 2010 BROAD BASED EMPOWERMENT ("B-BBEE") TRANSACTION ("THE B-BBEE TRANSACTION AMENDMENT")

INTRODUCTION

We have been appointed by the Board of Directors ("Board") to advise the shareholders of Value Group Limited ("Value Group") whether, in our opinion, the B-BBEE Transaction Amendment, in which the 2010 B-BBEE Transaction will be extended by five years is fair.

The 2010 B-BBEE Transaction broadly consisted of the following two components:

- The facilitation of a strategic empowerment shareholding in Value Group by Dr. Phosa, a non-executive director of Value Group and Mano Padiyachy, an executive director of Value Group through the specific issues to Opsweb Investments (Pty) Ltd ("Phosa SPV") and Diplobuzz Investments (Pty) Ltd ("Padiyachy SPV"); and
- An employee empowerment scheme which facilitated the empowerment of qualifying black Value Group employees by enabling them through the Value Group Empowerment Trust, to acquire economic interests and voting rights in Value Group's issued share capital.

The 2010 B-BBEE Transaction was discharged as follows:

- The specific issue of 14, 600,614 Value Group ordinary shares at an issue price of R3.50 per ordinary share to the Phosa SPV;
- The specific issue of 6, 257,406 Value Group ordinary shares at an issue price of R3.50 per ordinary share to the Padiyachy SPV;
- The funding by Value Logistics Limited ("Value Logistics") of the specific issues to Phosa SPV and Padiyachy SPV; and
- The creation of an employee empowerment scheme which will facilitate the empowerment of qualifying black Value Group employees by enabling them to acquire an economic interest and voting rights equivalent to 5% of Value Group's issued share capital through the specific issue of 10, 429,010 A Shares to the Value Group Empowerment Trust ("the Trust").

Due to Value Group's depressed share price, the funding liabilities attached to the 2010 B-BBEE Transaction are likely to exceed the equity value thereof. The Board proposes a 5 year extension to the 2010 B-BBEE Transaction through the extension of:

- The Phosa SPV and Padiyachy SPV preference share redemption dates from the initial 7th anniversary to The 12th anniversary thereof;
- The lock-in period from the initial 7 years to 12 years; and
- The notional loan repayment date and calculation date from the initial 7 years to 12 years.

The remaining terms of the 2010 B-BBEE Transaction will remain unchanged.

Dr Phosa and Mano Padiyachy are related parties to Value Group by virtue of their positions as directors of Value Group, while the Value Group Empowerment Trust is an interested party in the B-BBEE Transaction Amendment.

Accordingly, the B-BBEE Transaction Amendment is deemed to be a related party transaction in terms of section 10.4(f) of the JSE Limited ("JSE") Listing Requirements. The Board is required to obtain a fairness opinion from an independent expert, prepared in accordance with Schedule 5 of the JSE Listings Requirements.

EXPLANATION OF THE TERM 'FAIR'

The term 'fairness' is defined in Schedule 5 of the JSE Listings Requirements as being primarily based on quantitative issues. Therefore, the consideration payable by a related party would be considered fair to the Value Group shareholders if the cost of the option is less than the value lost by the company had it not acquired the B-BBEE Credentials. Our fairness opinion does not purport to cater for individual shareholder positions but rather the general body of shareholders.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- Current economic, regulatory and market conditions will not change materially. This included an analysis of publicly available information relating to the forecast market outlook;
- That reliance can be placed on the audited annual financial statements of Value Group for the years ended 28 February 2014, 28 February 2015 and 29 February 2016;
- That reliance can be placed on the audited annual financial statements of Value Group for the year ended 28 February 2017;
- That reliance can be placed on the unaudited year to date management accounts of Value Group for the 2 months ended 30 April 2017; and
- That reliance can be placed on the forecast financial information for Value Group as prepared by management for the years ended 28 February 2018 to 28 February 2022.

Where relevant, representations made by management and/or directors were corroborated to source documents prepared by third parties, independent analytical procedures performed by us and by examining and analysing external factors that influence the business. This included an analysis of the forecast financial information against that of the audited annual financial statements for reasonability.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information, including financial information obtained from management together with industry related and 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 B-BBEE Transaction Amendment include:

- Information and assumptions made available by and from discussions held with management, executive directors, non-executive directors and senior staff members of Value Group in terms of the rationale for the B-BBEE Transaction Amendment;
- Audited annual financial statements of Value Group for the years ended 28 February 2014, 28 February 2015 and 29 February 2016;
- Audited annual financial statements of Value Group for the year ended 28 February 2017;
- Unaudited year to date management accounts of Value Group for the 2 months ended 30 April 2017;
- Forecast financial information for Value Group as prepared by management for the years ended 28 February 2018 to 28 February 2022;
- Financial information from management in respect of forecast capital expenditure and working capital assumptions;
- The circular to Value Group shareholders relating to the B-BBEE Transaction Amendment (the "Circular"); and
- Publicly available information relating to Value Group and other competitors in the Industrial Transportation industry that we deemed to be relevant, including company announcements.

We obtained the information through:

- Conducting interviews with management, directors and senior staff members;
- Obtaining corroborating evidence from third parties; and
- Extracting information from the internet and the press.

We satisfied ourselves as to the appropriateness and reasonableness of the information with reference to:

- Audited annual financial statements of Value Group for the years ended 28 February 2014, 28 February 2015 and 28 February 2016;
- Audited annual financial statements of Value Group for the year ended 28 February 2017;
- Unaudited year to date management accounts of Value Group for the 2 months ended 30 April 2017;
- Forecast financial information for Value Group as prepared by management for the years ended 28 February 2018 to 28 February 2022;
- Financial information from management in respect of forecast capital expenditure and working capital assumptions;
- Conducting analytical reviews on the financial statements, management accounts and forecast financial information;
- Understanding the industry in which Value Group operates; and
- Assessing whether replies from management on certain issues were corroborated by third parties and documentary evidence.

LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of Value Group. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by the client whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This letter and opinion is provided solely for the benefit of the shareholders of Value Group in connection with and for the purposes of their consideration of the B-BBEE Transaction Amendment.

There is no relationship between Mazars Corporate Finance (Pty) Ltd ("MCF") and any other parties involved in the B-BBEE Transaction Amendment. MCF has no shares in Value Group or any other party involved in the B-BBEE Transaction Amendment. MCF's fee in respect of this opinion is not payable in Value Group shares and is not contingent or related to the outcome of the B-BBEE Transaction Amendment.

Each shareholder's individual decision may be influenced by such shareholder's particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the B-BBEE Transaction Amendment.

PROCEDURES

In order to assess the fairness of the terms and conditions relating to the B-BBEE Transaction Amendment, we have performed, amongst others, the following procedures:

- Considered the terms of the B-BBEE Transaction Amendment contained in the Circular and [the Signed Phosa SPV agreement, signed Padiyachy SPV agreement, the signed Value Group empowerment trust deed, the signed A share subscription agreement and the draft amended Value Group empowerment trust deed;
- Considered the rationale for the B-BBEE Transaction Amendment;
- Considered the B-BBEE benefits of the B-BBEE Transaction Amendment;
- Considered information made available by and from discussions held with management, executive directors, non-executive directors and senior staff members of Value Group;
- Reviewed the audited annual financial statements of Value Group for the years ended 28 February 2014, 28 February 2015 and 28 February 2016;
- Reviewed the audited annual financial statements of Value Group for the year ended 28 February 2017;
- Reviewed the unaudited year to date management accounts of Value Group for the 2 months ended 30 April 2017;
- Reviewed the forecast financial information for Value Group as prepared by management for the years ended 28 February 2018 to 28 February 2022;
- Reviewed the historic prices and volumes at which the shares in Value Group have traded and analysed the share price performance over the relevant periods for comparison;
- Reviewed recent reports and/or comments on Value Group by independent investment analysts and other market commentators;
- Reviewed the methodologies available for performing valuations of businesses operating in the Industrial Transportation industry;
- Performed an indicative valuation of Value Group using the discounted cash flow method, and considered discounts for marketability during the extended lock-in period. We corroborated this with capitalisation of earnings method;
- In addition to the above, given that there is an embedded option on the Phosa and Padiyachy specific issues, we have also utilised the Black Scholes Option pricing model to determine the cost of this option;
- Performed an independent valuation of the A shares utilising the Black-Scholes Option Pricing method;
- Considered Board's belief that if Value Group were to redeem the Phosa SPV and Padiyachy SPV preference shares and repurchase the issued A shares on 23 July 2017, it would result in a significant impairment in value for Phosa SPV, Padiyachy SPV and Value Group Empowerment Trust;
- Performed a discounted cashflow valuation taking into account the decrease in the profitability as a result of the loss in contracts and compared this valuation to the valuation of the company had the contracts not been lost. The difference between these valuations results in the economic benefit of the extension of the B-BBEE Transaction Amendment and was compared to the cost of the options and assessed for fairness;
- We corroborated our primary valuation methodologies by comparison of the results to comparable ratios and multiples of companies listed on the JSE as well as comparison to other B-BBEE transactions of other listed companies;
- Compared the valuations derived above to the proceeds in respect of the B-BBEE Transaction Amendment;
- Assessed the funding structure provided by Value Group in terms of the B-BBEE Transaction Amendment and compared this to other market related funding structures;
- Reviewed general economic, market and related conditions in Value Group operates; and
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the valuation above.

We believe the above procedures commercially justify the conclusion outlined below.

CONFIRMATION OF PERFORMANCE OF VALUATION AND VALUATION METHODOLOGY

We confirm that we have performed a valuation of Value Group ordinary shares based on the discounted cash flow model. We further confirm that we performed a valuation of Value Group ordinary shares taking into account any impacts from loss in contracts due to not concluding the B-BBEE Transaction Amendment. The valuations were performed taking cognisance of Value Group's current and planned operations as well as other market factors affecting these operations including discounts for lack of marketability during the lock-in period.

In addition to the above, given that there is an embedded option on the Phosa and Padiyachy specific issues, we have also utilised the Black Scholes Option pricing model to determine the cost of extension of these options.

We utilised the Black-Scholes Option Pricing model taking into account the conversion of the A shares into Value Group ordinary shares in five years.

We then compared the costs of the options in both instances to the estimated economic benefit of the B-BBEE Transaction Amendment and assessed it for fairness. The economic benefit was arrived at by performing a discounted cashflow valuation of the company taking into account the decrease in the profitability as a result of the estimated loss in contracts and compared this valuation to a separate valuation of the company had the contracts not been lost. The difference between these two valuations results in the economic benefit of the B-BBEE Transaction Amendment. The economic benefit of the B-BBEE Transaction Amendment was then compared to the cost of the option and assessed for fairness. The result of the above comparison reflected that the cost of the options was lower than the potential economic benefit lost should the B-BBEE Transaction Amendment not be concluded and the transaction is considered fair to the shareholders of Value Group.

Based on discussions with management, along with research into the sector, the following key value drivers were assessed for the DCF valuation:

Internal:

- Revenue growth rates;
- Profit margins;
- Customer contracts;
- Working capital assumptions;
- Free cash flows;
- Discount rates;
- Discounts for lock in period; and
- Perpetuity growth rates.

External:

- Stability of the economy and other macroeconomic factors;
- Both long term and short term inflation rates; and
- Interest rates.

The following analyses were performed on the key value drivers:

- An analysis and review of the forecast revenue growth rates. This included sensitivity analyses performed on the forecast revenue by increasing and decreasing revenue and assessed the impact thereof on the valuations; and
- An analysis and review of the forecast profit margins. This included a sensitivity analysis performed on the forecast earnings before interest, taxation, depreciation and amortisation (“EBITDA”) margins by increasing and decreasing the EBITDA margins and assessed the impact thereof on the valuations.

Results of the sensitivity

- A 1% decrease in the revenue by Value Group results in a 6.5% decrease in the estimate fair value of Value Group; and
- A 1% decrease in the EBITDA of Value Group results in a decrease of 25% in the estimated fair value of Value Group.

Key value drivers to the Black-Scholes Option Pricing valuation method are as follows:

- Expected share price volatility;
- Dividend payout ratios; and
- Risk free interest rates.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

OPINION

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

We have considered the terms and conditions of the B-BBEE Transaction Amendment, and subject to the foregoing, we are of the opinion that all the elements of the B-BBEE Transaction Amendment are Fair to the shareholders of Value Group in terms of the JSE Listings Requirements:

- the extension of the Phosa SPV and Padiyachy SPV preference share redemption dates from the initial 7th anniversary to the 12th anniversary thereof;
- the extension of the lock-in period from the initial 7 years to 12 years; and
- the extension of the notional loan repayment date and calculation date from the initial 7 years to 12 years.

Anoop Ninan
Managing Director
Mazars Corporate Finance (Pty) Ltd
54 Glenhove Road
Melrose Estate, 2196”

Trading history of Value Group ordinary shares on the JSE

Set out below is a table showing the aggregate volumes and values traded and the highest and lowest prices traded in Value Group ordinary shares for:

- each month over the 12 months prior to the date of issue of this circular; and
- each day over the 30 days preceding the last practicable date.

Monthly	High (cents per share)	Low (cents per share)	Value (Rand)	Volume
2017				
May	442	351	3,792,401	990,741
April	369	320	3,418,920	982,085
March	350	320	3,790,210	1,123,056
February	335	305	2,133,416	660,847
January	330	300	651,828	211,234
2016				
December	308	280	2,445,704	838,179
November	312	290	971,403	327,596
October	319	277	697,143	240,329
September	299	275	667,993	238,555
August	300	270	460,719	161,090
July	300	280	637,807	216,607
June	328	290	464,742	320,871
Daily				
June 2017				
14/6/2017	360	350	27,825	7,750
13/6/2017	360	350	409,575	115,280
12/6/2017	374	356	68,670	18,550
9/6/2017	374	374	-	-
8/6/2017	374	356	5,532	1,501
7/6/2017	355	355	9,893	2,787
6/6/2017	394	360	38,811	10,200
5/6/2017	370	360	199,030	54,958
2/6/2017	370	370	22,286,757	6,367,645
1/6/2017	370	366	58,338	15,800
May 2017				
31/5/2017	376	366	202,327	54,683
30/5/2017	389	380	83,158	21,688
29/5/2017	385	385	-	-
26/5/2017	385	385	5,005	1,300
25/5/2017	400	395	61,156	15,314
24/5/2017	400	400	724	181
23/5/2017	430	429	20,808	4,848
22/5/2017	430	430	2,150	500
19/5/2017	430	430	23,026	5,355
18/5/2017	435	410	613,491	142,718
17/5/2017	430	400	54,958	13,632
16/5/2017	430	390	144,756	35,183
15/5/2017	441	390	633,004	147,536
12/5/2017	442	363	24,491	6,520
11/5/2017	385	351	46,507	12,870
10/5/2017	369	369	-	-
9/5/2017	369	355	64,594	17,907
8/5/2017	354	354	5,540	1,565
5/5/2017	365	364	9,113	2,500
4/5/2017	355	355	-	-

Notice of general meeting



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1997/002203/06)
Share code: VLE ISIN: ZAE000016507
("Value Group" or "the Company")

The definitions and interpretations commencing on page 4 of the circular to which this Notice of General Meeting is attached ("circular") apply, mutatis mutandis, to this Notice of General Meeting.

Notice is hereby given that a general meeting of shareholders of the Company will be held in the Value Group boardroom at Value City, Essex Road, Tunney, Germiston, at 11:00 on Friday, 21 July 2017, for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out below.

ORDINARY RESOLUTION NUMBER 1 - AMENDMENT TO 2010 B-BBEE TRANSACTION

"RESOLVED THAT the Company be and is hereby authorised to enter into and implement the provisions of the B-BBEE Transaction Amendment agreement, the salient terms of which are set out in paragraph 3.2 of the circular, and that the amendments contained in the B-BBEE Transaction Amendment agreement are hereby approved."

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by Value Group shareholders present or represented by proxy at the general meeting and entitled to exercise voting rights on the resolution is required. Phosa SPV, Padiyachy SPV, the Value Group Empowerment Trust and their Associates will not vote on this resolution.

The reason for and effect of this resolution is to obtain all and any approvals required under the JSE Listings Requirements and, if applicable, the Act for the B-BBEE Transaction Amendment.

ORDINARY RESOLUTION NUMBER 2 –AUTHORITY TO IMPLEMENT

"RESOLVED to authorise each director and the secretary of the Company to do all such things and sign all such documents as are deemed necessary or desirable to implement the resolutions set out in the notice convening the general meeting."

In order for this resolution to be adopted, the support of at least 50% plus 1 vote of the voting rights exercised on the resolution by Value Group shareholders present or represented by proxy at the general meeting and entitled to exercise voting rights on the resolution is required. Phosa SPV, Padiyachy SPV, the Value Group Empowerment Trust and their Associates will not vote on this resolution.

The reason for and effect of this resolution is to authorise each director and the secretary of the Company to do all such things and sign all such documents as are deemed necessary or desirable to implement the resolutions set out in the notice convening the general meeting.

SPECIAL RESOLUTION – AUTHORITY TO AMEND MOI

"RESOLVED THAT with effect from the date of filing of the amendment with the Companies and Intellectual Property Commission, the Company's memorandum of incorporation be and is amended by the substitution of clause 12.2 of Schedule 1 thereto in its entirety with the following:

"12.2 Any right or restriction attached to the Value Group A Ordinary Shares shall, without limitation, be deemed not to be directly or indirectly adversely affected by:

12.2.1 the creation or issue of any shares of any class in the capital of the Company;

12.2.2 the repurchase or cancellation of any shares of any class in the capital of the Company."

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by Value Group shareholders present or represented by proxy at the general meeting and entitled to exercise voting rights on the resolution is required. Phosa SPV, Padiyachy SPV, the Value Group Empowerment Trust and their Associates will not vote on this resolution.

The reason for and effect of this special resolution is to make it clear that the rights and restrictions attached to the Company's A Shares will be deemed not to be directly or indirectly adversely affected by the creation, issue or repurchase of ordinary shares or other classes of shares.

VOTING AND PROXIES

Each Value Group shareholder who is present by representative, proxy or agent at the general meeting is entitled to one vote on a show of hands. On a poll, each Value Group shareholder, whether present in person or by proxy, or by representation, is entitled to one vote for each share held.

A form of proxy (blue) is attached for use by certificated or own-name dematerialised shareholders who are unable to attend the general meeting but wish to be represented thereat. They are required to complete and return the form of proxy to the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank or PO Box 61051, Marshalltown 2107. For sake of affording the Transfer Secretaries a reasonable time period in which to attend to administrative matters, certificated or own-name dematerialised shareholders are requested to return the form of proxy (blue) to the Transfer Secretaries to be received by no later than 11:00 on Wednesday, 19 July 2017; provided that certificated or own-name dematerialised shareholders may nonetheless return the form of proxy (blue) to the Transfer Secretaries after 11:00 on Wednesday, 19 July 2017 but prior to the commencement of the general meeting.

In terms of the custody agreements entered into by dematerialised shareholders and their CSDPs or brokers:

- dematerialised shareholders, other than own name dematerialised shareholders, that wish to attend the general meeting, must instruct their CSDP or broker to issue them with the necessary letters of representation to attend the general meeting;
- dematerialised shareholders, other than own name dematerialised shareholders, that wish to be represented at the general meeting, must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

Each certificated or own name dematerialised shareholder entitled to attend and vote at the general meeting may appoint one or more proxies (none of whom need be a Value Group shareholder) to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude a Value Group shareholder from attending the meeting and speaking and voting thereat to the exclusion of the proxy so appointed

By order of the board

Claire Middlemiss

Group Secretary

iThemba Governance and Statutory Solutions (Pty) Ltd

Registered office of Value Group

49 Brewery Road
Isando, 1601
(PO Box 778, Isando, 1600)

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Form of proxy



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/002203/06)

Share code: VLE ISIN: ZAE000016507

("Value Group" or "the Company")

A certificated or own name dematerialised shareholder entitled to attend and vote at the general meeting to be held in the Value Group boardroom, Value City, Essex Road, Tunney, Germiston at 11:00 on Friday, 21 July 2017 is entitled to appoint a proxy, or proxies, to attend, speak and vote thereat in his/her stead. A proxy need not be a Value Group shareholder. All forms of proxy must be lodged with the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank or PO Box 61051, Marshalltown 2107. For sake of affording the Transfer Secretaries a reasonable time period in which to attend to administrative matters, certificated or own-name dematerialised shareholders are requested to return the form of proxy (blue) to the Transfer Secretaries to be received by no later than 11:00 on Wednesday, 19 July 2017; provided that certificated or own-name dematerialised shareholders may nonetheless return the form of proxy (blue) to the Transfer Secretaries after 11:00 on Wednesday, 19 July 2017 but prior to the commencement of the general meeting.

Dematerialised shareholders who wish to attend the general meeting or vote by way of proxy must contact their CSDP or broker who will provide them with the necessary letters of representation to vote or carry out their instructions. This must be effected in terms of the agreement entered into between the dematerialised shareholder and the CSDP or broker.

I/We (BLOCK LETTERS please) _____ of address _____

Telephone number _____

Cellphone number _____

Email address _____

being the holder(s) of: Value Group shares

in the Company, hereby appoint (see note 1):

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the general meeting

as my/ our proxy to act for me/ us 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 special and ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for or against the said resolutions or to abstain from voting in respect of the Value Group ordinary shares registered in my/our name(s), in accordance with the following instructions (see note 2):

	For	Against	Abstain
Ordinary resolution number 1 (approve B-BBEE Transaction Amendment)			
Ordinary resolution number 2 (authorise each director and the company secretary to sign documents and take actions to implement the resolutions)			
Special resolution (approve the amendment to the MOI relating to the A Shares)			

Insert an "X" in the relevant spaces above 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 Value Group shares than you own, insert the number of Value Group shares held in respect of which you desire to vote (see note 2).

Signed at _____ on _____ 2017

Signature _____

Assisted by me (where applicable) _____

Each Value Group shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Please read the notes on the reverse side of this form of proxy

Notes:

1. A Value Group shareholder may insert the name of a proxy or the names of two alternative proxies of the Value Group shareholder's choice in the space(s) provided, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" 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 Value Group shares held 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 at the general meeting as he/ she deems fit in respect of all the shareholder's votes exercisable thereat. A Value Group shareholder or his/ her proxy is not obliged to use all the votes exercisable by the Value Group shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Value Group shareholder or by his/her proxy.
3. Forms of proxy must be lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank (PO Box 61051, Marshalltown, 2107). For sake of affording the Transfer Secretaries a reasonable time period in which to attend to administrative matters, certificated or own-name dematerialised shareholders are requested to return the form of proxy (blue) to the Transfer Secretaries to be received by no later than 11:00 on Wednesday, 19 July 2017; provided that certificated or own-name dematerialised shareholders may nonetheless return the form of proxy (blue) to the Transfer Secretaries after 11:00 on Wednesday, 19 July 2017 but prior to the commencement of the general meeting.
4. The completion and lodging of this form of proxy will not preclude the relevant Value Group shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. 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 unless previously recorded by the company's transfer secretaries or waived by the chairman of the general meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory (ies).
7. 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 the transfer secretaries of the company.
8. The chairman of the general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the general meeting is satisfied as to the manner in which the Value Group shareholder wishes to vote.