THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately. Copies of this Circular (in English only) may be obtained from the offices of the sponsor at the address set out on the inside front cover or from the Investor Relations section of the Company's website <u>www.value.co.za</u>. The definitions and interpretations commencing on page 19 of this Circular apply mutatis mutandis throughout this Circular, including the front cover.

Action required:

- 1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders in respect of the Scheme", which commences on page 6 of this Circular, and the section entitled "Action required by Shareholders in respect of the General Offer", which commences on page 12 of this Circular.
- If you have disposed of all of your Shares in Value Group, please forward this Circular incorporating the Form of Proxy (yellow), Form of Surrender and Transfer (blue) (in respect of the Scheme) and Form of Acceptance and Transfer (green) (in respect of the General Offer) to the purchaser of such Shares, or the Broker, CSDP, banker or other agent through whom the disposal was effected.

Value Group does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Value Group Shares to notify such beneficial owner of the matters 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")

CIRCULAR TO SHAREHOLDERS

Relating, amongst other things to:

- a scheme of arrangement in terms of section 114(1)(e) of the Companies Act, proposed by the Board between Value Group and the Scheme Participants being all Ordinary Shareholders other than the Remaining Shareholders, in terms of which, if implemented, Value Group will repurchase a maximum of 39,663,398 Ordinary Shares (constituting 23.95% of Value Group's issued Ordinary Shares) from Scheme Participants for a cash consideration of R6.75 per Scheme Share;
- separate to but concurrent with the Scheme, a conditional General Offer by Value Group to the Eligible Shareholders in terms of sections 48 and 117(1)(c)(v) of the Companies Act and paragraphs 1.15(c) and 5.69 of the Listings Requirements, to acquire all of the General Offer Shares for a cash consideration of R6.75 per General Offer Share, which will be implemented only if the Scheme fails; and
- the Delisting of the Ordinary Shares from the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, pursuant to the Delisting Resolution being approved and the General Offer being implemented,

and incorporating, amongst other things:

- a report prepared by the Independent Expert in terms of section 114(3) of the Companies Act and the Listings Requirements;
- a Notice of General Meeting;
- a Form of Proxy (yellow) for use by Certificated Shareholders and Dematerialised Shareholders with Own-Name Registration only;
- a Form of Surrender and Transfer (*blue*) in respect of the Scheme for use by Certificated Shareholders only;
- a Form of Acceptance and Transfer (green) in respect of the General Offer for use by Certificated Shareholders only; and
- extracts of sections 114 and 115 of the Companies Act dealing with the approval requirements for fundamental transactions, section 124 of the Companies Act dealing with compulsory acquisitions and section 164 of the Companies Act dealing with Dissenting Shareholders' Appraisal Rights.



Date of issue: Thursday, 25 March 2021.

This Circular is available in English only. A copy of the Circular will be made available for inspection by Shareholders during normal business hours from the date of posting of this Circular on Thursday, 25 March 2021, up to and including the end of the Offer Period, being Friday, 2 July 2021, at the registered offices of Value Group. Due to Covid-19 restrictions, please contact the Company's Company Secretary (crisna@fluidrockgovernance,com) should you wish to collect a copy of the Circular at the registered office. The Circular will also be made available on Value Group's website, www.value.co.za.

CORPORATE INFORMATION AND ADVISORS

Registered office

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

Date of incorporation: 18 February 1997 **Place of incorporation**: South Africa

Company secretary

FluidRock Co Sec Proprietary Limited (Registration number 2016/093836/07) Monument Office Park Block 5 Suite 201 Represented by: Crisna Erasmus 77 Steenbok Avenue, Monument Park 0181 (PO Box 25160, Monument Park 0105)

Joint Transaction Advisor and Sponsor

The Corporate Finance Division of Investec Bank Limited (Registration number 1969/004763/07) 100 Grayston Drive Sandown, Sandton 2196 (PO Box 787500, Sandton 2146)

Legal Advisor

Fluxmans Inc. Registration number 2000/024775/21 30 Jellicoe Avenue Rosebank, 2196 (Private Bag X41, Saxonwold 2132)

Joint Transaction and Tax Advisor

Suez Capital Proprietary Limited (Registration number 2017/316437/07) 245 Marais Street, Brooklyn 0181 (Suite 205, Private Bag X25723, Monument Park 0105)

Independent Professional Expert

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

Transfer secretaries

Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07)) 2nd Floor Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg 2196 (Private Bag X9000, Saxonwold 2132)

CONTENTS

		Page number
Co	rporate information and advisors	I
Im	portant legal notices	4
Ac	tion required by Shareholders in respect of the Scheme	6
Ac	tion required by Shareholders in respect of the General Offer	12
Sal	lient dates and times	16
De	finitions and interpretations	19
Cir	rcular to Shareholders	
١.	Introduction	26
2.	Purpose of this Circular	27
3.	Rationale for the Transaction	27
4.	Nature of the business of Value Group	28
5.	Terms and conditions of the Scheme	28
6.	Terms and conditions of the General Offer	34
7.	Termination events	40
8.	Authority to implement the Scheme, General Offer and Delisting	40
9.	A Shares and B-BBEE Ordinary Shareholders	41
10.	Agreements in relation to the Offer and the Remaining Shareholders	41
.	Opinions and recommendations	42
12.	Adequacy of capital	42
13.	Written confirmation	43
14.	Dealings in Shares by Remaining Shareholders	43
15.	Information relating to Value Group	43
16.	Information on Directors	44
17.	Irrevocable undertakings and letters of support	45
18.	Financial information	46
19.	Foreign Shareholders and exchange control regulations	46
20.	Restricted jurisdictions	46
21.	Notice of General Meeting	47
22.	Material changes	47
23.	Suspension and termination of the Value Group listing	47
24.	Advisors' consents	47
25.	Responsibility statements	47
26.	Costs	47
27.	Documents available for inspection	48

Annexure I	Independent Expert's Opinion	49
Annexure 2	Extracts of the consolidated audited historical financial statements of Value Group	53
Annexure 3	Extracts of the unaudited consolidated interim results of Value Group for the six months ended 31 August 2020	59
Annexure 4	Share Trading Statistics	62
Annexure 5	Exchange control regulations	63
Annexure 6	Wording of Section 114, Section 115, Section 164 and Section 124 of the Companies Act	64
Annexure 7	Details of dealings in Shares by providers of irrevocable undertakings and letters of support	71
Notice of General Meeting		
Form of proxy (yellow) At		Attached
Form of surrender and transfer in respect of scheme (blue)		Attached
Form of acceptance and transfer for the general offer (for use by certificated shareholders only) (green) Att		Attached

IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 19 of this Circular shall apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

FOREIGN SHAREHOLDERS

This Circular is governed by the laws of South Africa and is subject to any applicable laws and regulations and has been prepared for the purposes of complying with the Companies Act, the Takeover Regulations and the Listings Requirements and is published in terms thereof. The information disclosed in this Circular may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about and observe any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to and does not constitute or form part of an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful or in which securities may not be offered or sold without registration or an exemption from registration. This Circular does not constitute a prospectus or a prospectus-equivalent document. Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme and General Offer, with care. Any decision to approve the Scheme, Delisting Resolution or accept the General Offer or other response to the proposals should be made only on the basis of the information in this Circular.

The Scheme and the General Offer, which are the subject of this Circular, may be affected by the laws of the relevant jurisdictions of Foreign Shareholders. Foreign Shareholders must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Scheme Consideration and/or the General Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Foreign Shareholders who are in any doubt as to their positions should consult their professional advisors immediately.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Value Group and/or the Group that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditure, acquisition strategy, and expansion prospects for future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Value Group cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Value Group operates may differ materially from those made in, or suggested by, the forwardlooking statements contained in this Circular. All forward-looking statements in respect of Value Group are based on estimates and assumptions made by Value Group and/or the Group which, although Value Group believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, assumptions or statements include other matters not yet known to Value Group or not currently considered material by Value Group.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Value Group and/or the Group not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Value Group has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of issue of this Circular, except as may be required by law.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE SCHEME

This Circular is important and requires your immediate attention. The actions you need to take are set out below.

The definitions and interpretations commencing on page 19 of this Circular shall apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

Action required by Shareholders in respect of the Scheme:

- if you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately;
- if you have disposed of all your Shares, then this Circular, together with the accompanying Notice of General Meeting, Form of Proxy (*yellow*) and Form of Surrender and Transfer (*blue*), should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom you disposed of your Shares;
- in order for the Scheme to become operative, among other things, the Scheme Resolution must be adopted at the General Meeting; and
- the Independent Board and the Board have recommended that Shareholders vote in favour of the Scheme Resolution.

I. GENERAL MEETING

Given the impact of COVID-19 on in-person meetings, the General Meeting will be held and conducted entirely via electronic facility/communication in terms of section 63(2)(a) of the Companies Act at 11:00 on Thursday, 27 May 2021, (or any adjourned or postponed date in accordance with the provisions of section 64(11) of the Companies Act and the MOI, read with the Listings Requirements) to consider and, if deemed fit, pass, with or without modification, the Resolutions set out in the Notice.

II VOTING AND ATTENDANCE AT THE GENERAL MEETING

A Dematerialised Shareholders without Own-Name Registration

If you have dematerialised your Ordinary Shares without "own-name" registration, then the following actions are relevant to you with regard to the General Meeting.

If you do not wish to or are unable to participate in the General Meeting, but wish to vote thereat, you should:

- Provide your CSDP or Broker with your voting instructions in terms of the Custody Agreement entered into between you and your CSDP or Broker.
- Contact your CSDP or Broker regarding the cut-off time for submitting your voting instructions to them.

If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.

Please **DO NOT** complete the attached Form of Proxy (*yellow*) if you have dematerialised shares without "own-name" registration.

You are strongly urged to ensure the timeous receipt by the Transfer Secretaries of the documents referred to in this section, due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants. It may not be possible to promptly verify a Dematerialised Shareholder without "own-name" registration once the General Meeting has commenced.

B Certificated and Own-Name Dematerialised Shareholders

If you are a Certificated Shareholder or you have dematerialised your Ordinary Shares with "own-name" registration, then the following actions are relevant to you in connection with the General Meeting.

You may participate in the General Meeting as outlined in the paragraphs below.

If you do not wish to or are unable to attend the General Meeting but wish to be represented thereat, you should complete the Form of Proxy (*yellow*) and return same, together with proof of identification (i.e. South African identity document, driver's licence or passport) and authority to do so (where acting in a representative capacity), to the Transfer Secretaries, as follows:

• by email: at proxy@computershare.co.za;

- by hand: Rosebank Towers, 15 Biermann Avenue, Rosebank; or
- by post: Private Bag X9000, Saxonwold,

so as to be received by the transfer secretary by no later than 11:00 on Tuesday, 25 May 2021, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time and date may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time prior to the General Meeting, with the understanding that such Form of Proxy and identification must be verified and registered before the commencement of the General Meeting.

You are encouraged to appoint a proxy if you do not intend to participate in the General Meeting yourself.

C. Electronic participation at the General Meeting

The General Meeting will be conducted entirely through electronic communication. The decision was taken by the Board that it is appropriate to hold the General Meeting entirely by electronic communication in accordance with the provisions of the MOI read with section 63(2) of the Companies Act.

The interactive electronic platform made available for the General Meeting will permit all Shareholders to communicate concurrently with each other without an intermediary, and to effectively participate in the General Meeting. Voting via the electronic platform will be the only method available to holders of Ordinary Shares to vote at the General Meeting. The electronic platform selected for the purposes of the General Meeting is Lumi AGM, which may be accessed by using a smartphone, tablet device or computer.

Registration

Should you wish to participate in the General Meeting you will be required to pre-register your personal details by taking the following action:

- register online at www.smartagm.co.za by no later than 11:00 on Tuesday, 25 May 2021. While registration after this date and time to participate in and/or vote electronically at the General Meeting is permitted, you must be verified and registered before the commencement of the General Meeting; and
- upload proof of identification (e.g. identity document, driver's licence or passport), and provide the following details: your name, surname, email address and contact number.

If you have dematerialised your Ordinary Shares without "own-name" registration then, in addition to the actions listed above, you must request your CSDP or Broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the Custody Agreement entered into between you and your CSDP or Broker and upload same.

Participation

Following successful completion of the registration process contemplated above, you will be required to connect to the General Meeting by using the link below and following the relevant prompts:

https://web.lumiagm.com

Access and Navigation

If participating via smartphone or tablet device, download the Lumi AGM app from the Apple App Store or Google Play Store by searching for Lumi AGM.

If participating via computer, visit <u>https://web.lumiagm.com</u> by entering this address into your web browser. You will need the latest versions of Chrome, Safari, Edge or Firefox, or Internet Explorer 11. Please ensure your browser is compatible. Smartphone or tablet device users can also participate via this link if you do not wish to download the Lumi AGM app onto your device.

Once you have either downloaded the Lumi AGM app or entered <u>https://web.lumiagm.com</u> into your web browser, you will be prompted to enter the meeting ID, which will be emailed to you (or your representative or proxy) following completion of the registration process outlined above.

Once you have successfully entered the meeting ID, you will be required to enter your username and password, both of which will have been emailed to you following completion of the registration process outlined above.

When you are successfully authenticated, the info screen will be displayed. You can view company information, ask questions and watch the webcast. If you would like to watch the webcast, press the broadcast icon at the bottom of the screen.

If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.

Voting

Shareholders will be able to participate and vote during the General Meeting on the electronic platform described above.

The chairman will open voting on the proposed resolutions. Once voting has opened, the polling icon **u** will appear on the navigation bar at the bottom of the screen. From here, the proposed resolutions and voting choices will be displayed.

To vote, simply select the requisite voting direction from the options shown on screen. A confirmation message will appear to show that the vote has been received. The confirmation of the vote being received will be depicted as follows: 'For – Vote received' or 'Against – Vote received'.

To change the vote, simply select another direction. If you wish to cancel the vote, press "Cancel".

Once the chairman has opened voting, voting can be performed at any time during the General Meeting until the chairman closes the voting on the proposed resolutions. At that point your last choice will be submitted.

You will still be able to send messages and view the webcast while the poll is open.

Shareholders who are participating via the electronic platform or by proxy at the General Meeting will have I (one) vote for every Ordinary Share held or represented.

Although voting will be permitted by way of electronic communication, you are strongly encouraged to submit your votes by proxy before the General Meeting.

Assistance

If you experience any difficulty with (i) the registration process outlined above or (ii) logging into the General Meeting you should request an agent of the Transfer Secretaries to assist you with such difficulty by emailing the following email address: proxy@computershare.co.za.

Electronic Notice and Identification

IMPORTANT NOTE: As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification, and the presiding person at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder or as a proxy for a Shareholder, has been reasonably verified.

To comply with this verification procedure, if you wish to participate electronically in the General Meeting you are strongly encouraged to email a written notice to the Transfer Secretaries at proxy@computershare. co.za by no later than 11:00 on Tuesday, 25 May 2021 confirming that you wish to participate via electronic communication at the General Meeting (the "Electronic Notice"). The Electronic Notice must contain a valid email address for the person wishing to participate and must be accompanied by:

- if you are an individual, a copy of your original South African identity document and/or passport and/or South Africa driver's licence;
- if you are not an individual, a copy of a resolution by the relevant entity and a certified copy of the South African identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent it at the General Meeting via electronic communication; and
- in all cases, a valid email address and/or mobile telephone number (the "contact email address/number").

Providing the above information is necessary for you to obtain a username and a unique nine-digit meeting identity code, without which it will not be possible to participate in the General Meeting. Sufficient time is needed for the Transfer Secretaries to verify the participant and then assign the username and meeting identity code, which reflects the number of Ordinary Shares in respect of which voting is permitted. If the number of Ordinary Shares reflected is nil, you will be able to attend the General Meeting and view the proceedings as a guest but will not be able to ask questions, make comments or vote.

If you do not send an Electronic Notice recording your intention to participate in the General Meeting to the Transfer Secretaries by 11:00 on Tuesday, 25 May 2021, you may still participate via electronic communication at the General Meeting and may email the Electronic Notice to the Transfer Secretaries at any time prior to the commencement of the General Meeting.

However, for the purpose of effective administration, you (and your proxies and representatives) are strongly urged to send the Electronic Notice by 11:00 on Tuesday, 25 May 2021.

The electronic platform available via Lumi AGM is available for the duration of the General Meeting at no cost to you. However, any third-party costs relating to the use or access of the webcast facilities will be for your own account, including network charges incurred while participating electronically. Any such charges will not be for the account of the JSE, Value Group and/or the Transfer Secretaries.

Neither the JSE, Value Group nor the Transfer Secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/ or power outages which prevents you from participating in and/or voting at the General Meeting.

The provisions of the above paragraphs, in particular the procedures and actions to be taken in order to participate electronically in the General Meeting, apply equally to your representative and/or proxy (if any).

\square General

The Remaining Shareholders are considered to be acting in concert with Value Group in terms of the Takeover Regulations, and as such, will not be entitled to vote on the Resolutions (other than the Specific Repurchase Resolution).

E Tax

The Scheme Consideration constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder. To the extent that any Shareholder is exempt from dividends tax, or dividends tax is to be withheld at a reduced rate, it will be required to complete the prescribed declarations and undertakings in terms of section 64G(2)(a) or section 64G(3), as the case may be, in terms of the Income Tax Act before the distribution, as it would in the course of normal dividends being declared.

Where the relevant Scheme Participant is a person exempt from dividends tax in terms of section 64F of the Income Tax Act and fails to provide the prescribed documentation contemplated in section 64G(2)(a) of the Income Tax Act to the relevant regulated intermediary, such Scheme Participant will receive its Scheme Consideration as a dividend on which the 20% dividends tax will be withheld.

Scheme Participants who have submitted the prescribed declaration contemplated in section 64G(2)(a) of the Income Tax Act on which they have indicated to the relevant regulated intermediary that they are persons exempt from dividends tax in terms of section 64F of the Income Tax Act, will have met the requirements for exemption from dividends tax.

Should the Scheme become unconditional and be implemented in accordance with its terms, the gross Scheme Consideration will be paid by EFT to Scheme Participants net of dividends tax on the gross Scheme Consideration at a rate of 20%, unless the Scheme Participant is exempt from dividends tax.

Shareholders should consult their professional advisors immediately if they are in any doubt as to their tax position or consequences that may arise.

III GENERAL

$\ensuremath{\mathbb{A}}$ $\ensuremath{\,}$ Approval of the Scheme at the General Meeting

The Scheme and repurchase of Shares must be approved by a Special Resolution of Shareholders, in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act, at the General Meeting at which sufficient Shareholders must be present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on the Scheme Resolution.

In order to be approved, the Scheme Resolution must be supported by at least 75% of the voting rights exercised on the resolution. Excluded Shareholders will not vote on the Scheme Resolution.

B Court approval

Shareholders are advised that, in terms of section 115(3) of the Companies Act, Value Group may in certain circumstances not proceed to implement the Scheme without the approval of the Court, despite the fact that Scheme Resolution has been adopted at the General Meeting.

A copy of section 115 of the Companies Act pertaining to the required approval for the Scheme is set out in Annexure 6 and a summary is contained in paragraph 5.5 of this Circular.

C Dissenting Shareholders

A Shareholder who is entitled to vote at the General Meeting is entitled to seek relief in terms of section 164 of the Companies Act if that Shareholder:

- notified Value Group in advance and in writing of its intention to oppose the Scheme Resolution;
- was present through electronic participation at the General Meeting;
- voted against the Scheme Resolution; and
- sent Value Group a demand contemplated in section 164(5) of the Companies Act.

A copy of section 164 of the Companies Act pertaining to Dissenting Shareholders' Appraisal Rights is set out in Annexure 6 and a summary is contained in paragraph 5.8 of this Circular.

IV. TRP APPROVALS

Shareholders should take note that the TRP does not consider commercial advantages or disadvantages of "affected transactions", as defined in section 117(1)(c) of the Companies Act, when it approves such transactions.

V. LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED SHAREHOLDERS

If Documents of Title have been lost or destroyed, Certificated Shareholders should nevertheless return the Form of Surrender and Transfer (*blue*) duly signed and completed. The Transfer Secretaries shall issue a suitable indemnity form to such Certificated Shareholder, such indemnity form to be in a form and substance acceptable to Value Group (in its sole and absolute discretion) and Value Group and the Transfer Secretaries must be satisfied that the Documents of Title have been lost or destroyed.

Only upon receipt of such indemnity form duly completed and signed by such Certificated Shareholder to be received by 12:00 on the Scheme Consideration Record Date, will Value Group consider the action taken by such Certificated Shareholder in terms of the Scheme.

VI. SURRENDER OF DOCUMENTS OF TITLE

A Dematerialised Shareholders

You do not have to surrender any Documents of Title. This will be done by your CSDP or Broker. You must **NOT** complete the attached Form of Surrender and Transfer (*blue*).

B Certificated Shareholders

If the Scheme becomes operative, you will be required to surrender your Documents of Title in respect of all your Shares in order to claim the Scheme Consideration payable or deliverable to you.

If you wish to expedite receipt of the Scheme Consideration and surrender your Documents of Title in anticipation of the Scheme becoming operative, you should complete the attached Form of Surrender and Transfer (*blue*) and return it, together with the relevant Documents of Title relating to all your Shares, in accordance with the instructions contained therein, to the Transfer Secretaries, (Computershare Investor Services (Pty) Ltd, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107), e-mail proxy@computershare.co.za, Tel: 011 370 5334) by 12:00 on the Scheme Consideration Record Date.

If Documents of Title relating to any Shares to be surrendered are lost or destroyed, Value Group may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Value Group that the Documents of Title to the Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to Value Group. Accordingly, if the Documents of Title in respect of any of your Shares have been lost or destroyed, you should nevertheless return the attached Form of Surrender and Transfer (*blue*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.

Should you surrender your Documents of Title in anticipation of the Scheme becoming operative and the Scheme then does not become operative and you do not accept the General Offer within the stipulated time frame or the General Offer does not become unconditional, the Transfer Secretaries shall, within five Business Days of the later of the date upon which it becomes known that the Scheme will not be implemented, or on receipt by the Transfer Secretaries of the relevant Documents of Title, return the Documents of Title to you, by registered post, at your own risk.

VII. DEMATERIALISATION OR REMATERIALISATION OF AND TRADING IN SCHEME SHARES

You are not required to Dematerialise your Shares in order to participate in the Scheme. If you wish to Dematerialise your Scheme Shares, please contact the Transfer Secretaries or your CSDP or Broker.

You should note that once you have surrendered your Documents of Title in respect of your Scheme Shares, in anticipation of the Scheme becoming operative, you may not Dematerialise or trade any of the Scheme Shares to which those Documents of Title relate.

No Dematerialisation or re-materialisation of Scheme Shares may take place:

- from the Business Day following the last day to trade prior to the General Meeting up to and including the Scheme Voting Record Date in respect of the General Meeting; and
- if the Scheme becomes operative, on or after the Business Day following the Scheme Last Day to Trade.

Should the Scheme not become operative and:

- you have not accepted the General Offer in respect of all of your General Offer Shares, the Transfer Secretaries shall, within five Business Days of either the General Offer Closing Date or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk; or
- you have accepted the General Offer in respect of all of your General Offer Shares but the General Offer does
 not become unconditional in all respects, the Transfer Secretaries shall, within five Business Days of either the
 date upon which it becomes known that the General Offer will not be implemented or on receipt by the Transfer
 Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by
 registered post, at your own risk.

VII. POSTING FORMS OF SURRENDER AND TRANSFER AND DOCUMENTS OF TITLE

Forms of Surrender and Transfer and Documents of Title that are sent through the post are sent at the risk of the Shareholder concerned. Accordingly, Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. It is therefore recommended that such forms and Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.

IX. OTHER

The contents of this Circular do not purport to constitute legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Scheme or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the Scheme or any other matter and in particular the receipt of the Scheme Consideration, as applicable.

Value Group does not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of Scheme Shares to notify the holder of any beneficial interest in those Scheme Shares in respect of the Scheme or any other matter set out in this Circular.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE GENERAL OFFER

The definitions and interpretations commencing on page 19 of this Circular shall apply, mutatis mutandis, to this section (unless the context indicates otherwise).

Actions required by Shareholders in respect of the General Offer:

- if you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately;
- if you have disposed of all your Shares, then this Circular, together with the accompanying Notice of General Meeting, Form of Proxy (*yellow*) and Form of Acceptance and Transfer (*green*), should be forwarded to the purchaser of such Shares or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected;
- in order for the General Offer to become operative, the Repurchase Resolution, Specific Repurchase Resolution and Delisting Resolution must be adopted and the General Offer must become wholly unconditional; and
- Shareholders should take note that the Independent Board and the Board recommend that Shareholders vote in favour of the Repurchase Resolution, Specific Repurchase Resolution and Delisting Resolution and accept the General Offer.

The General Offer will run concurrently to the Scheme, however, implementation of the General Offer will be conditional on, *inter alia*, the Scheme not becoming operative.

For the avoidance of doubt, Eligible Shareholders will be entitled to accept the General Offer from 11:00 on the General Offer Opening Date, however, any General Offer Shares Tendered will not be acquired by Value Group until such time as the General Offer is implemented, which is conditional, *inter alia*, on the Scheme not becoming operative and the General Offer becoming wholly unconditional.

Eligible Shareholders shall be entitled to either:

- accept the General Offer in respect of all (and not some) of their General Offer Shares (accordingly no partial acceptances will be accepted); or
- reject the General Offer.

If you wish to accept the General Offer, you must do so in the manner described below, depending on whether you are a Certificated Shareholder or a Dematerialised Shareholder.

I. VOTING, ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING

Shareholders are referred to section II of "Action required by Shareholders in respect of the Scheme" to ascertain the action required by Shareholders in respect of the General Meeting.

II. ACTION REQUIRED IN RESPECT OF THE GENERAL OFFER

A Dematerialised Shareholders

If you are a Dematerialised Shareholder, you may be contacted by your CSDP or Broker in the manner stipulated in your Custody Agreement and subject to the cut-off time in order to ascertain whether or not you wish to accept the General Offer. If you wish to accept the General Offer, you must notify your CSDP or Broker of your acceptance of the General Offer in the time and manner stipulated in your Custody Agreement.

If you are a Dematerialised Shareholder and wish to accept the General Offer, but have not been contacted by your CSDP or Broker, it would be advisable for you to contact and furnish your CSDP or Broker with instructions in regard to the acceptance of the General Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your Custody Agreement, and must be communicated by your CSDP or Broker to the Transfer Secretaries by no later than 12:00 on the General Offer Closing Date.

You must **NOT** complete the attached Form of Acceptance and Transfer (green).

If you notify your CSDP or Broker of your desire to accept the General Offer, you will **NOT** be able to rematerialise and/or trade your Shares from the date on which you notify your CSDP or Broker of your acceptance of the General Offer. Dematerialised Shareholders will, however, be entitled to sell such General Offer Shares Tendered to Value Group in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.

B Certificated Shareholders

If you are a Certificated Shareholder and wish to accept the General Offer, you must complete the Form of Acceptance and Transfer (green) attached to this Circular in accordance with its instructions, and forward it, together with your Documents of Title, to the Transfer Secretaries, Computershare Investor Services (Pty) Ltd, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, (for hand deliveries) or PO Box 61763, Marshalltown, 2107 (for postal deliveries), by no later than 12:00 on the General Offer Closing Date.

If you accept the General Offer and surrender your Documents of Title, you will **NOT** be able to Dematerialise and/or trade your General Offer Shares from the date that you surrender your Documents of Title in respect of those General Offer Shares.

C Approval of the Specific Repurchase and Delisting at the General Meeting

As the General Offer is considered to be a Repurchase in terms of section 48(8) of the Companies Act and a Specific Repurchase in terms of paragraph 5.69(b) of the Listings Requirements, the Repurchase and the Specific Repurchase are required to be approved by separate Special Resolutions of the Shareholders at the General Meeting in accordance with the quorum requirements specified in the MOI (as set out in the "QUORUM" section of the Notice of General Meeting).

Firstly, in accordance with sections 48(8)(a) and 48(8)(b) of the Companies Act, a decision by Value Group to Repurchase its Shares: (i) must be approved by a Special Resolution if any of the Shares are to be acquired by Value Group from a Director, or a person related to a Director; and (ii) is subject to the requirements of sections 114 and 115 of the Companies Act if it involves the acquisition by Value Group of more than 5% of its Shares. In accordance with section 115(4) of the Companies Act, the Remaining Shareholders will not be entitled to vote on the Repurchase Resolution at the General Meeting.

Secondly, in accordance with paragraph 5.69(b) of the Listings Requirements, Shareholders who have provided irrevocable undertakings in respect of the Specific Repurchase as detailed in paragraph 17 of this Circular, and their respective associates (as defined in the Listings Requirements), will not be entitled to vote on the Specific Repurchase Resolution at the General Meeting. The Remaining Shareholders will, however, be able to vote on the Specific Repurchase Resolution in terms of paragraph 5.69(b) of the Listings Requirements since they will not be participating in the General Offer.

The Delisting must also be approved by an Ordinary Resolution, at the General Meeting, at which at least three Shareholders are present and sufficient Shareholders are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the General Meeting, in accordance with paragraphs 1.15(a) and 1.16 of the Listings Requirements. In order to be approved, the Ordinary Resolution must be supported by more than 50% of the voting rights exercised thereon.

In accordance with paragraph 1.16 of the Listings Requirements, controlling shareholder/s, their associate/s and persons who are considered to be acting in concert with Value Group will not be entitled to vote on the Delisting Resolution. Therefore, the Remaining Shareholders who are considered to be acting in concert with Value Group in terms of the Takeover Regulations, will not be entitled to vote on the Delisting Resolution.

D Tax

The General Offer Consideration constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder. To the extent that any Shareholder is exempt from dividends tax, or dividends tax is to be withheld at a reduced rate, it will be required to complete the prescribed declarations and undertakings in terms of section 64G(2)(a) or section 64G(3), as the case may be, in terms of the Income Tax Act before the distribution, as it would in the course of normal dividends being declared.

Where the relevant Eligible Shareholder is a person exempt from dividends tax in terms of section 64F of the Income Tax Act and fails to provide the prescribed documentation contemplated in section 64G(2)(a) of the Income Tax Act to the relevant regulated intermediary, such Eligible Shareholder will receive its General Offer Consideration as a dividend on which the 20% dividends tax will be withheld.

Eligible Shareholders who have submitted the prescribed declaration contemplated in section 64G(2)(a) of the Income Tax Act on which they have indicated to the relevant regulated intermediary that they are persons exempt from dividends tax in terms of section 64F of the Income Tax Act, will have met the requirements for exemption from dividends tax.

Should the General Offer become unconditional and be implemented in accordance with its terms, the gross General Offer Consideration will be paid by EFT to Eligible Shareholders net of dividends tax on the gross General Offer Consideration at a rate of 20%, unless the Eligible Shareholder is exempt from dividends tax.

Shareholders should consult their professional advisors immediately if they are in any doubt as to their tax position or consequences that may arise.

III. GENERAL

A Compulsory acquisition

In the event that the General Offer is implemented and is accepted by Eligible Shareholders holding at least 90% of the General Offer Shares, Value Group may, at its election, invoke the provisions of section 124 of the Companies Act, to compulsorily acquire all the General Offer Shares held by the Non-accepting Shareholders, as further detailed in paragraph 6.8 of this Circular and Annexure 6. Should Value Group not elect to invoke the provisions of section 124 of the Companies Act, and the General Offer becomes wholly unconditional and implemented, Eligible Shareholders who have not accepted the General Offer will remain Shareholders in Value Group. Subject to the Scheme not becoming operative, if an Eligible Shareholder does not wish to take any further action and should the provisions of section 124 of the Companies Act not be invoked by Value Group, such Eligible Shareholders will become Non-accepting Shareholders upon the General Offer becoming wholly unconditional and implemented.

A copy of section 124 of the Companies Act is set out in Annexure 6 and a summary is contained in paragraph 6.8 of this Circular.

B Dematerialisation or rematerialisation of and trading in Shares

If you wish to Dematerialise your Shares, please contact the Transfer Secretaries, your Broker or CSDP. You are **NOT** required to Dematerialise your General Offer Shares in order to participate in the General Offer or to receive the General Offer Consideration.

You should note that once you have surrendered your Documents of Title in respect of your General Offer Shares, pursuant to your acceptance of the General Offer, you may not Dematerialise or trade any of the General Offer Shares to which those Documents of Title relate.

Furthermore, you should note that, after acceptance of the General Offer you may not Dematerialise or trade any of the General Offer Shares in respect of which the General Offer has been accepted. You will however be entitled to sell such General Offer Shares Tendered to Value Group in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.

For the avoidance of doubt, you may not, after acceptance of the General Offer, instruct any Broker or CSDP to hold your General Offer Shares in respect of which the General Offer has been accepted as nominee on your behalf or, where such General Offer Shares are already held by the Broker or CSDP as nominee, request the Broker or CSDP to release the General Offer Shares in respect of which the General Offer has been accepted.

No Dematerialisation or rematerialisation of Shares may take place:

- from the Business Day following the last day to trade prior to the General Meeting up to and including the Scheme Voting Record Date; and
- if the General Offer is declared wholly unconditional, on or after the Business Day following the General Offer Last Day to Trade.

IV. FOREIGN SHAREHOLDERS

If you are a Foreign Shareholder, you are urged to read the important information, relating to the General Offer described in this Circular. If you are in doubt about your position, you should consult your professional advisor in the relevant jurisdiction.

V. POSTING FORMS OF ACCEPTANCE AND TRANSFER AND DOCUMENTS OF TITLE

Forms of Acceptance and Transfer (green) and Documents of Title that are sent through the post are sent at the risk of the Eligible Shareholder concerned. Accordingly, Eligible Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. It is therefore recommended that such forms and Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.

VI. LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED SHAREHOLDERS

If Documents of Title have been lost or destroyed, Certificated Shareholders should nevertheless return the Form of Acceptance and Transfer (green) duly signed and completed. The Transfer Secretaries shall issue a suitable indemnity form to such Certificated Shareholder, such indemnity form to be in a form and substance acceptable to Value Group (in its sole and absolute discretion) and Value Group and the Transfer Secretaries must be satisfied that the Documents of Title have been lost or destroyed.

Only upon receipt of such indemnity form, duly completed and signed by such Certificated Shareholder, to be received by 12:00 on the General Offer Closing Date, will Value Group consider the action taken by such Certificated Shareholder in terms of the General Offer.

VII. OTHER

The contents of this Circular do not purport to constitute legal advice or to comprehensively deal with the legal, regulatory and tax implications of the General Offer or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the General Offer or any other matter and in particular the receipt of the General Offer Consideration, as applicable.

Value Group does not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of General Offer Shares to notify the holder of any beneficial interest in those General Offer Shares in respect of the General Offer or any other matter set out in this Circular.

VIII. TRP APPROVAL

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of *"affected transactions"*, as defined in section 117(1)(c) of the Companies Act, when it approves such transactions.

The acquisition by a regulated company of more than 5% of the issued shares of any particular class of the company's shares, as contemplated in section 48(8)(b) of the Companies Act, constitutes a scheme of arrangement as contemplated in section 114 of the Companies Act, and accordingly, any such acquisition constitutes an affected transaction in terms of section 117(c)(iii) of the Companies Act. Consequently, the General Offer is considered a scheme of arrangement in terms of sections 114 and 117(c)(iii) of the Companies Act, and must also comply with the requirements applicable to the Scheme under the Companies Act and the Takeover Regulations.

The General Offer complies with the requirements of section 114 of the Companies Act. In this regard, please refer to the opinions and recommendations expressed by the Independent Board in paragraph 11 of this Circular and the opinion of the Independent Expert contained in Annexure 1. The General Offer furthermore complies with the requirements of section 115 of the Companies Act in relation to the approval by Shareholders of the General Offer in terms of section 48(8) of the Companies Act. Please refer to Special Resolution number 2 as contained in the Notice.

Shareholders should note that Appraisal Rights apply in respect of the General Offer, and accordingly the provisions of paragraph 5.8 of this Circular (and any related provisions of the Notice) shall apply *mutatis mutandis* to the General Offer Participants in respect of Special Resolution number 2 as contained in the Notice. Shareholders are referred to Annexure 6, which contains an extract of the provisions of section 164 of the Companies Act.

As regards compliance with the Takeover Regulations generally in relation to the General Offer, please refer to paragraphs I to 4 and paragraphs 6 to 27 of this Circular, which paragraphs apply in respect of both the Scheme and the General Offer.

SALIENT DATES AND TIMES

	2021
Record date to determine which Shareholders are eligible to receive this Circular	Friday, 12 Marada
("Record Date")	Friday, 12 March
Circular posted to Shareholders and Notice of General Meeting published on SENS	Thursday, 25 March
Notice of posting of this Circular and Notice of General Meeting published in press	Friday, 26 March
General Offer Opening Date at 09:00 on	Friday, 26 March
Last day to trade Shares in order to be recorded in the Register to attend, participate in and vote at the General Meeting (" Voting Last Day to Trade ")	Tuesday, 18 May
Record date for Shareholders to be recorded in the Register in order to be eligible to participate in and vote at the General Meeting, being the " Scheme Voting Record Date" by close of trade on	Friday, 21 May
Last day and time to lodge Forms of Proxy (yellow) with the Transfer Secretaries by 11:00 on	Tuesday, 25 May
Last date for Shareholders to give notice to Value Group of their objections to the Scheme Resolution in terms of section 164(3) of the Companies Act by no later than 11:00 on	Thursday, 27 May
Forms of Proxy (<i>yellow</i>) not lodged with the Transfer Secretaries to be handed to the chairperson of the General Meeting (through the Transfer Secretaries) at any time before the proxy exercises any rights of a Shareholder at the General Meeting on	Thursday, 27 May
General Meeting to be held at 11:00 on	Thursday, 27 May
Results of the General Meeting released on SENS on or about	Thursday, 27 May
Results of General Meeting published in the South African press on or about	Friday, 28 May
If the Scheme is approved by Shareholders at the General Meeting:	
Last day for Shareholders who voted against the Scheme to require Value Group to seek Court approval for the Scheme in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of Shareholders at the General Meeting were exercised against the Scheme	Thursday, 3 June
Last day for Shareholders (who voted against the Scheme) to be granted leave by a Court for a review of the Scheme in terms of section 115(3)(b) of the Companies Act, if the Scheme Resolution is approved by Shareholders at the General Meeting (where applicable)	Thursday, 10 June
Last date for Value Group to give notice of adoption of the Scheme Resolution approving the Scheme to Dissenting Shareholders in accordance with section 164(4) of the Companies Act on	Thursday, 10 June
The following dates assume that no Court approval or review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional:	
Finalisation announcement with regard to the Scheme published on SENS before 11:00 (assuming no Shareholder exercises their right in terms of section 115(3)(a) or section 115(3) (b) of the Companies Act) expected to be on or about	Friday, 11 June
Finalisation announcement published in the South African Press expected to be on or about	Monday, 14 June
Expected last day to trade, being the last day to trade Shares on the JSE in order to participate in the Scheme ("Scheme Last Day to Trade")	Tuesday, 29 June

	2021
Expected suspension of listing of Shares on the JSE at the commencement of trade on	Wednesday, 30 June
Expected "Scheme Consideration Record Date" , being the date on which Scheme Participants must be recorded in the Register to receive the Scheme Consideration, by close	
of trade on	Friday, 2 July
Expected "Operative Date" on or about	Monday, 5 July
Scheme Consideration expected to be sent by EFT to Scheme Participants who are Certificated Shareholders and who have lodged their Form of Surrender and Transfer (<i>blue</i>) with the Transfer Secretaries on or prior to 12:00 on the Scheme Consideration Record Date, on or about	Monday, 5 July
Dematerialised Scheme Participants expected to have their accounts (held at their CSDP or Broker) credited with the Scheme Consideration on or about	Monday, 5 July
Expected date for termination of the listing of Shares in terms of the Scheme at the commencement of trade on the JSE	Tuesday, 6 July
If the Scheme does not become unconditional and the General Offer is implemented:	
Expected finalisation announcement published on SENS on or about	Friday, 11 June
Expected date of lodging an application for the termination of listing of the Shares on the JSE on	Friday, 11 June
Expected finalisation announcement published in the South African press	Monday, 14 June
First date on which the General Offer Consideration is expected to be sent by EFT to General Offer Participants who are Certificated Shareholders who have lodged their Form of Acceptance and Transfer (green) with the Transfer Secretaries on or prior to the General Offer being declared wholly unconditional, on or about	Tuesday, 22 June
First date on which Dematerialised General Offer Participants are expected to have their accounts with their Broker or CSDP credited with the General Offer Consideration, on or about	Tuesday, 22 June
Expected last day to trade to take up the General Offer	Tuesday, 29 June
Expected suspension of the listing of the Shares at the commencement of trade on the JSE	Wednesday, 30 June
Expected General Offer Record Date	Friday, 2 July
Expected General Offer Closing Date. Forms of Acceptance and Transfer (green) to be submitted by 12:00 on	Friday, 2 July
Last date on which the General Offer Consideration is expected to be sent by EFT to General Offer Participants who are Certificated Shareholders who have lodged their Form of Acceptance and Transfer (green) with the Transfer Secretaries on or prior to the last day to trade to take up the General Offer, on or about	Monday, 5 July
Last date on which Dematerialised General Offer Participants are expected to have their accounts with their Broker or CSDP credited with the General Offer Consideration on or	Manday
about	Monday, 5 July
Expected termination of the listing of the Shares at commencement of trade on the JSE	Tuesday, 6 July

Notes:

^{1.} All of the above dates and times are subject to change, with the approval of the JSE and TRP, if required. The dates have been determined based on certain assumptions regarding the dates by which certain regulatory approvals including, but not limited to, that of the JSE and TRP, will be obtained and that no Court approval or review of the Scheme will be required. Any change will be released on SENS and published in the South African press.

^{2.} Shareholders are referred to paragraph 18 of the Circular. Value Group will endeavour to publish its financial results for the year ended 28 February 2021 by no later than 11:00 on Wednesday, 5 May 2021 (being at least 15 Business Days before the General Meeting). If Value Group is unable to do so, the General Meeting shall still be convened at 11:00 on Thursday, 27 May 2021, but immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 15 Business Days after publication of such financial results.

^{3.} Shareholders are also referred to paragraph 5.8 of the Circular (which contains a summary of Dissenting Shareholders' Appraisal Rights in respect of the Scheme and the General Offer) regarding timing considerations relating to the Appraisal Rights held by Shareholders.

- 4. Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, persons who acquire Shares after close of trade on Tuesday, 18 May 2021, will not be eligible to attend, participate in and vote at the General Meeting, as the Scheme Voting Record Date is Friday, 21 May 2021. Provided the Scheme is approved and Shareholders acquire the Shares on or prior to the Scheme Last Day to Trade (expected to be Tuesday, 29 June 2021), Shareholders will be eligible to participate in the Scheme, as the Scheme Consideration Record Date is Friday, 2 July 2021.
- 5. In the event that a Shareholder lodges a Form of Proxy (yellow) with the Transfer Secretaries less than 48 hours (excluding Saturdays, Sundays and gazetted, national public holidays) before the General Meeting, such a Shareholder may email a Form of Proxy (yellow) to the Transfer Secretaries (who will provide same to the chairperson of the General Meeting) at any time before the commencement of the General Meeting (or any adjournment or postponement of the General Meeting), with the understanding that such Form of Proxy and identification must be verified and registered before commencement of the General Meeting.
- 6. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
- 7. All times given in this Circular are local times in South Africa.
- 8. If the Scheme becomes operative, Certificated Shares may not be Dematerialised or rematerialised after the Scheme Last Day to Trade.
- 9. The date of payment of the Scheme Consideration, is expected to be Monday, 5 July 2021, in respect of Dematerialised Shareholders and Certificated Shareholders.
- 10. The date of payment of the General Offer Consideration, will take place within six Business Days of the later of the General Offer being declared wholly unconditional and acceptance of the General Offer by the General Offer Participant and in accordance with paragraph 6.7.6 of this Circular in respect of Certificated Shareholders.
- 11. Should sufficient Shareholders vote against the Scheme Resolution at the General Meeting so that a Shareholder may require Value Group to obtain Court approval regarding the Scheme Resolution as contemplated in section 115(3)(a) of the Companies Act, and if a Shareholder in fact delivers such a request, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.
- 12. If any Shareholder who votes against the Scheme Resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the Annexures hereto, unless otherwise stated or the context indicates a contrary intention, the following expressions shall have the meanings set out opposite them. 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 A Shares''	A ordinary shares in Value Group with a par value of R0,001 each, which have been issued to the Value Group Empowerment Trust in terms of the B-BBEE Transaction, and which carry voting rights but are not listed on the JSE;
"Annexures"	the annexures attached to this Circular;
"Appraisal Rights"	in respect of the Scheme, the rights held by Shareholders under section 164 of the Companies Act, as detailed more fully in paragraph 5.8 and Annexure 6;
"Authorised Dealer"	a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
"B-BBEE Ordinary Shareholders"	each of Diplobuzz, Opsiweb and Mano Padiyachy;
"B-BBEE Shareholders"	the B-BBEE Ordinary Shareholders and the Value Group Empowerment Trust;
"the B-BBEE Transaction"	the Broad-Based Black Economic Empowerment transaction entered into by Value Group in July 2010, amended as set out in the circular to Shareholders dated 17 June 2017;
"the Board" or "the Directors"	the board of directors of Value Group as at the Last Practicable Date whose details are set out in paragraph 16;
"Broker"	any person registered as a " <i>broking member equities</i> " in terms of the rules of the JSE and acting in accordance with the provisions of the Financial Markets Act;
"Business Day"	any day other than a Saturday, Sunday or a gazetted national public holiday in South Africa;
"Cautionary Announcement"	the cautionary announcement published by Value Group on 17 February 2021 in relation to the intended delisting;
"Certificated Shareholders"	shareholders holding Certificated Shares or A Shares;
"Certificated Shares"	Shares which are represented by a share certificate or other Document of Title, which are not Dematerialised Shares;
"Church Street"	471 Church Street Proprietary Limited, registration number 1995/005260/07, a private company incorporated in accordance with the company laws of South Africa, and all of the ordinary shares of which are indirectly, non-beneficially held by Steven Gottschalk;
"the or this Circular"	this bound document, dated Thursday, 25 March 2021, including the Annexures hereto and incorporating the Notice of General Meeting, a Form of Proxy (<i>yellow</i>), a Form of Surrender and Transfer (<i>blue</i>) and a Form of Acceptance and Transfer (<i>green</i>);
"Clive Sack"	Mr. Clive Lawrence Sack, the financial director of Value Group;
"the Common Monetary Area"	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini (previously Swaziland);
"the Companies Act"	the Companies Act, 71 of 2008, as amended;
"Companies Regulations"	the Companies Regulations, 2011, promulgated under the Companies Act, as amended;
"Company Secretary"	the company secretary of Value Group, being FluidRock;

"Court"	any South African court with competent jurisdiction to approve the implementation
	of the Scheme Resolution set out in the Notice of General Meeting pursuant to section 115 of the Companies Act and/or to review the Scheme Resolution and/or to determine the fair value of the Shares and/or to make an order pursuant to section 164(14) of the Companies Act;
"CSDP"	a Central Securities Depository Participant as defined in the Financial Markets Act;
"Custody Agreement"	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, governing their relationship in respect of Dematerialised Shares held by a Dematerialised Shareholder on Value Group's Uncertificated Securities Register and administered by a CSDP or Broker on behalf of that Dematerialised Shareholder;
"Delisting"	the termination of the listing of the Ordinary Shares on the JSE pursuant to the Scheme becoming operative or the Delisting Resolution being adopted and the General Offer being implemented, as may be applicable;
"Delisting Resolution"	the Ordinary Resolution to be proposed at the General Meeting to approve the Delisting in terms of paragraphs 1.15(a) and 1.16 of the Listings Requirements, should the Scheme not become operative and pursuant to the General Offer;
"Dematerialised" or "Dematerialisation"	the process in terms of which securities held by Certificated Shareholders are converted into electronic form and held by a CSDP or Broker;
"Dematerialised Shareholders"	Shareholders who hold Ordinary Shares which have been Dematerialised;
"Diplobuzz"	Diplobuzz Investments (RF) Proprietary Limited, registration number 2010/003796/07, a private company incorporated in accordance with the company laws of South Africa, and the ordinary shares of which are wholly owned by the Padiyachy Family Trust;
"Dissenting Shareholders"	in respect of the Scheme, Shareholders who: (i) validly exercise their Appraisal Rights by demanding, in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, that Value Group pays them the fair value of all of their Shares; (ii) do not withdraw that demand before Value Group makes an offer to them in accordance with the requirements of section 164(11) of the Companies Act; and (iii) do not, after an offer is made to them by Value Group in accordance with the requirements of section 164(11) of the Companies Act, allow such offer to lapse in terms of section 164(12)(b) of the Companies Act;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other documents of title acceptable to Value Group as evidence of title to Shares;
"Dr. Phosa"	Dr. Nakedi Mathews Phosa, 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;
"EFT"	electronic funds transfer;
"Eligible Shareholders"	Shareholders other than the Remaining Shareholders, who are eligible to accept the General Offer;
"Employee Empowerment Scheme"	the employee empowerment scheme implemented by Value Group in terms of the B-BBEE Transaction through the formation of the Value Group Empowerment Trust and the creation and specific issue of 10 429 010 A Shares to the Value Group Empowerment Trust;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;

"Excluded Dissenting Shareholders"	in respect of the Scheme, Dissenting Shareholders who accept an offer made to them by Value Group in accordance with the requirements of section 164(11) of the Companies Act or, pursuant to an order of Court, tender their Shares to Value Group in accordance with the requirements of section 164(15) of the Companies Act;
"Excluded Shareholders"	in respect of the Scheme, the Remaining Shareholders and the Excluded Dissenting Shareholders;
"Finalisation Date"	in respect of the Scheme, the date on which Value Group releases a SENS announcement confirming that all the Scheme Conditions Precedent have been fulfilled or waived, as the case may be;
"Financial Markets Act"	the Financial Markets Act, 19 of 2012, as amended;
"Firm Intention Announcement"	the announcement by Value Group setting out the terms of a firm intention by Value Group to affect the Offer, as released on SENS on 26 February 2021;
"FluidRock"	FluidRock Co Sec Proprietary Limited, registration number 2016/093836/07, a private company incorporated in accordance with the company laws of South Africa;
"Foreign Shareholders"	a Shareholder who has a registered address outside South Africa and/or who is a national, citizen or resident of a country other than South Africa;
"Form of Acceptance and Transfer"	for purposes of accepting the General Offer, the form of acceptance and transfer (<i>green</i>) attached to and forming part of this Circular for use only by General Offer Participants holding Certificated Shares;
"Form of Proxy"	the form of proxy (yellow) attached to this Circular;
"Form of Surrender and Transfer"	the form of surrender and transfer (<i>blue</i>) of Documents of Title attached to this Circular;
"General Meeting"	the meeting of Shareholders convened in terms of the Companies Act (including any adjournment or postponement thereof), to be held entirely by electronic communication at 11:00 on Thursday, 27 May 2021, and in connection with the Scheme, Delisting and General Offer for the purpose of considering and, if deemed fit, approving, with or without modification, the Resolutions contained in the Notice;
"General Offer"	the general offer to the Eligible Shareholders, made by Value Group, as contemplated by section 48(8) and section $117(1)(c)(v)$ of the Companies Act and paragraph 1.15(c) of the Listings Requirements, to repurchase all of the General Offer Shares for the General Offer Consideration, subject to the General Offer Conditions (subject to any modification or amendment made thereto to which Value Group may agree in writing, and which the TRP approves, to the extent that the TRP's approval is required);
"General Offer Closing Date"	the last date on which Eligible Shareholders will be entitled to accept the General Offer, which date shall be a Friday and no less than 10 Business Days after the date on which the General Offer is declared wholly unconditional, which date is expected to be Friday, 2 July 2021;
"General Offer Conditions"	the conditions to the implementation of the General Offer set out in paragraph 6.5 of this Circular;
"General Offer Consideration"	R6.75 in cash for every General Offer Share repurchased in terms of the General Offer;
"General Offer Last Day to Trade"	Tuesday, 29 June 2021, being the expected last day to trade in Shares in order to be recorded in the Register on the General Offer Closing Date;
"General Offer Opening Date"	the opening date of the General Offer, being Friday, 26 March 2021;

"General Offer Participants"	Eligible Shareholders to whom the General Offer is made and who lawfully and
	validly accept the General Offer by 12:00 on the General Offer Closing Date and who are entitled, subject to the General Offer being implemented, to receive the General Offer Consideration and "General Offer Participant" shall mean any one of them as the context requires;
"General Offer Payment Date"	in relation to a General Offer Participant, a period of six Business Days after the later of the General Offer being declared unconditional in all respects as contemplated by regulation 102(12)(a) of the Takeover Regulations and acceptance of the General Offer by such General Offer Participant;
"General Offer Period"	the period beginning at 11:00 on the General Offer Opening Date and ending at 12:00 on the General Offer Closing Date, during which the Eligible Shareholders are entitled to accept the General Offer;
"General Offer Shares"	all of the Shares, other than the Shares that the Remaining Shareholders own, being a maximum of 39,663,398 Ordinary Shares;
"Group"	Value Group and its Subsidiaries from time to time;
"Income Tax Act"	the Income Tax Act, 58 of 1962, as amended;
"Independent Board"	an independent sub-committee of the Board, consisting of Messrs CD Stein, VM Mcobothi and Ms B Bulo, appointed to fulfil the role of an "independent board", as contemplated in regulation 108 of the Takeover Regulations, all of whom are independent as contemplated in regulation 108(8) of the Takeover Regulations;
"Independent Expert" or "Mazars"	Mazars Corporate Finance Proprietary Limited, registration number 2003/029561/07, a private company incorporated in accordance with the company laws of South Africa, appointed as independent expert to provide external advice to the Independent Board;
"JSE"	the Johannesburg Stock Exchange, operated under licence as an exchange under the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa;
"JSE" "Last Practicable Date"	the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a
	the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, 17 March 2021, being the last practicable date prior to the finalisation
"Last Practicable Date"	the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, 17 March 2021, being the last practicable date prior to the finalisation of this Circular;
"Last Practicable Date" "Listings Requirements"	the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, 17 March 2021, being the last practicable date prior to the finalisation of this Circular; the JSE Listings Requirements, as amended from time to time;
"Last Practicable Date" "Listings Requirements" "Longstop Date"	 the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, I7 March 2021, being the last practicable date prior to the finalisation of this Circular; the JSE Listings Requirements, as amended from time to time; has the meaning given to such term in paragraph 5.2; Lougot Property Investments Proprietary Limited, registration number 1992/003294/07, a private company incorporated in accordance with the company laws of South Africa, and all of the ordinary shares of which are indirectly, non-
"Last Practicable Date" "Listings Requirements" "Longstop Date" "Lougot"	 the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, I7 March 2021, being the last practicable date prior to the finalisation of this Circular; the JSE Listings Requirements, as amended from time to time; has the meaning given to such term in paragraph 5.2; Lougot Property Investments Proprietary Limited, registration number 1992/003294/07, a private company incorporated in accordance with the company laws of South Africa, and all of the ordinary shares of which are indirectly, non-beneficially held by Steven Gottschalk;
"Last Practicable Date" "Listings Requirements" "Longstop Date" "Lougot" "Mano Padiyachy"	 the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, I7 March 2021, being the last practicable date prior to the finalisation of this Circular; the JSE Listings Requirements, as amended from time to time; has the meaning given to such term in paragraph 5.2; Lougot Property Investments Proprietary Limited, registration number 1992/003294/07, a private company incorporated in accordance with the company laws of South Africa, and all of the ordinary shares of which are indirectly, nonbeneficially held by Steven Gottschalk; Mr. Mano Padiyachy, an executive director of Value Group;
"Last Practicable Date" "Listings Requirements" "Longstop Date" "Lougot" "Mano Padiyachy" "MOI"	 the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, 17 March 2021, being the last practicable date prior to the finalisation of this Circular; the JSE Listings Requirements, as amended from time to time; has the meaning given to such term in paragraph 5.2; Lougot Property Investments Proprietary Limited, registration number 1992/003294/07, a private company incorporated in accordance with the company laws of South Africa, and all of the ordinary shares of which are indirectly, nonbeneficially held by Steven Gottschalk; Mr. Mano Padiyachy, an executive director of Value Group; Value Group's memorandum of incorporation; in the event that the Scheme does not become operative but the General Offer is implemented, those Eligible Shareholders who do not accept the General Offer in respect of all of the General Offer Shares held by them and who hold the remaining General Offer Shares, subject to the provisions of section 124(1) of the Companies
 "Last Practicable Date" "Listings Requirements" "Longstop Date" "Lougot" "Mano Padiyachy" "MOI" "Non-accepting Shareholders" "Notice of General Meeting" or 	the Financial Markets Act by JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of South Africa; Wednesday, 17 March 2021, being the last practicable date prior to the finalisation of this Circular; the JSE Listings Requirements, as amended from time to time; has the meaning given to such term in paragraph 5.2; Lougot Property Investments Proprietary Limited, registration number 1992/003294/07, a private company incorporated in accordance with the company laws of South Africa, and all of the ordinary shares of which are indirectly, non- beneficially held by Steven Gottschalk; Mr. Mano Padiyachy, an executive director of Value Group; Value Group's memorandum of incorporation; in the event that the Scheme does not become operative but the General Offer is implemented, those Eligible Shareholders who do not accept the General Offer in respect of all of the General Offer Shares held by them and who hold the remaining General Offer Shares, subject to the provisions of section 124(1) of the Companies Act; the notice convening the General Meeting, which is attached to and forms part of

"Offer Participants"	collectively, the Scheme Participants and the General Offer Participants, or any one or each of them, as the context may require;
"Offer Period"	shall bear the meaning ascribed to such term in section 117(1)(g) of the Companies Act;
"Operative Date"	the Business Day on which Value Group will commence settling the Scheme Consideration to Scheme Participants, being the first Business Day following the Scheme Consideration Record Date, which is expected to be Monday, 5 July 2021;
"Opsiweb"	Opsiweb Investments (RF) Proprietary Limited, registration number 2010/002506/07, a private company incorporated in accordance with the company laws of South Africa, and the ordinary shares of which are wholly owned by the Dr. Phosa Family Trust;
"Ordinary Resolution"	a resolution adopted by Shareholders with the support of more than 50% of the voting rights exercised on the resolution;
"Ordinary Shares"	ordinary shares in Value Group with a par value of R0.001 each, all of which are listed on the JSE;
"Own-Name Registration" or "Own-Name Dematerialised Shareholders"	the status of Dematerialised Shareholders who have instructed their CSDP to hold their Dematerialised Shares in their own name on the sub-register (being the list of Shareholders maintained by the CSDP and forming part of the Register) and the concept "Own Name" shall be construed accordingly;
"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;
"R" or "Rand" or "cents"	South African Rand and cents, the official currency of South Africa;
"Register"	the register of Certificated Shareholders maintained by the Transfer Secretaries and the Uncertificated Securities Register maintained by the relevant CSDPs in accordance with section 50 of the Companies Act;
"Remaining Shareholders"	in respect of Ordinary Shares, Lougot, Church Street, the B-BBEE Ordinary Shareholders, Clive Sack, Value Logistics (in respect of treasury shares) and the Value Group Share Incentive Trust, effectively holding 76.05% of the Ordinary Shares, and in respect of the A Shares, Value Group Empowerment Trust holding 100% of the A Shares, collectively acting in concert with Value Group in respect of the Offer;
"Repurchase"	bears the meaning assigned to it in paragraph 6.2.1 of the Circular;
"Repurchase Resolution"	means Special Resolution number 2 required to be approved by Shareholders in order to implement and give effect to the Repurchase under the General Offer, in terms of section 48(8) of the Companies Act;
"Resolutions"	the Ordinary Resolution and the Special Resolutions to be proposed at the General Meeting as set out in the Notice, which resolutions will, inter alia, authorise and approve the Scheme, the General Offer and the Delisting;
''Scheme''	the scheme of arrangement in terms of section 114(1)(e) of the Companies Act, proposed by the Independent Board between Value Group and Scheme Participants, in terms of which, if the Scheme becomes operative, Value Group will repurchase all of the Scheme Shares, representing all Shares held by Scheme Participants, with the Scheme Participants being obliged to transfer their rights, title and interest in and to the Scheme Shares to Value Group in exchange for the Scheme Consideration, subject to the Scheme Participants' Appraisal Rights;
"Scheme Conditions Precedent"	the scheme conditions precedent to which the Scheme is subject, as set out in paragraph 5.2 of this Circular;
"Scheme Consideration"	R6.75 for every one Scheme Share held by Scheme Participants on the Scheme Consideration Record Date;

"Scheme Consideration Record Date"	the third Business Day after the Scheme Last Day to Trade, being the latest date for holders of Shares to be registered as such in the Register in order to receive the Scheme Consideration, which date is expected to be Friday, 2 July 2021;
''Scheme Last Day to Trade''	being the last day to trade Shares on the JSE in order to be registered in the Register on the Scheme Consideration Record Date, which date is expected to be Tuesday, 29 June 2021;
''Scheme Participants''	the Shareholders, other than the Excluded Shareholders, who are registered as such in the Register on the Record Date and are therefore entitled to receive the Scheme Consideration; provided Dissenting Shareholders will only become Scheme Participants once they cease to be Dissenting Shareholders;
"Scheme Resolution"	means Special Resolution number 1 required to be approved by Shareholders who are eligible to vote, in order to implement and give effect to the Scheme;
"Scheme Shares"	all of the Shares held by Scheme Participants on the Scheme Consideration Record Date totalling 39,663,398 Ordinary Shares;
"Scheme Voting Record Date"	the last date to be recorded in the Register in order for Shareholders to be eligible to attend, speak and vote at the General Meeting (or any adjournment thereof), being Friday, 21 May 2021;
"SENS"	the Stock Exchange News Service of the JSE;
"Shareholders"	the holders of Shares , from time to time;
''Shares''	Ordinary Shares and A Shares;
''South Africa''	the Republic of South Africa;
"Special Resolution"	a resolution adopted by Shareholders with the support of at least 75% of the voting rights exercised on the resolution;
"Specific Repurchase"	bears the meaning assigned to it in paragraph 6.2.2 of the Circular;
"Specific Repurchase Resolution"	means Special Resolution number 3 required to be approved by Shareholders in order to implement and give effect to the Specific Repurchase, contemplated in terms of paragraph 5.69(b) of the Listings Requirements;
"Steven Gottschalk"	Mr Steven David Gottschalk, Chief Executive Office and through his indirect, non- beneficial shareholdings deemed the majority Shareholder of Value Group,
"Strate"	Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated in accordance with the company laws of South Africa, and registered as a central securities depository responsible for the electronic clearing and settlement of trades on the JSE;
''Subsidiary''	a subsidiary company as defined in section 3 of the Companies Act, but shall include a juristic person or other undertaking which would have been a subsidiary company as defined in section 3 of the Companies Act had the juristic person or other undertaking been a company; or a juristic person or other undertaking that would have been a subsidiary as defined in section 3 of the Companies Act but for the fact that it is incorporated outside of South Africa;
''Takeover Regulations''	the regulations set out in chapter 5 of the Companies Regulations;
"Tender" or "Tendered"	the tender by Eligible Shareholders of all of the General Offer Shares held by them, for disposal in terms of the General Offer;
"Transaction"	collectively the Scheme, the General Offer and the Delisting;
"Transfer Secretaries" or "Computer Share Investor Services"	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company incorporated in accordance with the company laws of South Africa, being the appointed transfer secretaries to Value Group;
"TRP"	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;

"Uncertificated Securities Register"	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register;
"Value Group" or "the Company"	Value Group Limited, registration number 1997/002203/06, a public company incorporated in accordance with the company laws of South Africa on 18 February 1997, and listed on the JSE;
"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 Peromnes bands and who satisfies a set of objective criteria set by the board, being the holder of all the issued A Shares;
"Value Group Share Incentive Trust"	the Value Group Share Incentive Trust (Master's Reference No. IT 10138/98), the beneficiaries of which are selected executive-level employees of the Group who are resident in South Africa; and
"Value Logistics"	Value Logistics Limited, registration number 1920/000560/06, a public company incorporated in accordance with the company laws of South Africa and a wholly-owned Subsidiary of the Value Group.



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa) (Registration number 1997/002203/06) Share Code: VLE ISIN: ZAE000016507

Directors

CD Stein^{*} (Chairman) SD Gottschalk (Chief Executive Officer) CL Sack (Financial Director) VM Mcobothi^{*} B Bulo^{*} NM Phosa^{**} M Padiyachy * Independent non-executive ** Non-executive

Independent Board

CD Stein^{*} VM Mcobothi^{*} B Bulo^{*}

CIRCULAR TO SHAREHOLDERS

INTRODUCTION

- 1.1 In the Firm Intention Announcement released by Value Group on Friday, 26 February 2021, Shareholders were advised of Value Group's firm intention to:
 - 1.1.1 make a cash offer of R6.75 per Share to repurchase by way of the Scheme all the Shares not held by the Excluded Shareholders; and
 - 1.1.2 make the General Offer to Eligible Shareholders to acquire the General Offer Shares for a cash consideration of R6.75 per General Offer Share.
- 1.2 The Scheme and General Offer are proposed concurrently, however, Value Group will only implement the General Offer should the Scheme fail. In the event that the Scheme becomes operative, the General Offer will lapse. Alternatively, if the Scheme does not become operative and the General Offer becomes wholly unconditional, the General Offer will be implemented.
- 1.3 Implementation of the Scheme is subject to the fulfilment or waiver (where possible) of the Scheme Conditions Precedent. The General Offer will be subject to the fulfilment or waiver (where possible) of the General Offer Conditions.
- 1.4 The Delisting will occur: (i) in accordance with paragraph 1.17(b) of the Listings Requirements if the Scheme becomes operative; or (ii) if the General Offer becomes wholly unconditional, is implemented and the Delisting Resolution is approved.
- 1.5 The Scheme Shares or General Offer Shares repurchased by Value Group in terms of the Scheme or General Offer will have the same status as the Shares that have been authorised but not issued.
- 1.6 Having considered the opinion of the Independent Expert, the Independent Board and the Board are in unanimous support of the Scheme and General Offer and recommend that Eligible Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.
- 1.7 In the event that the Scheme becomes operative, the JSE has granted approval for the suspension of the listing of the Ordinary Shares on the JSE with effect from the commencement of trade on the day following the Scheme Last Day to Trade, which is expected to be Tuesday, 29 June 2021, and the termination of the listing of the Ordinary Shares on the JSE from the commencement of trade on the day following the Operative Date, which is expected to be Monday, 5 July 2021.

1.8 Should the General Offer become unconditional be implemented, and the Delisting is approved, the listing of Value Group's Ordinary Shares on the JSE will be terminated. Subject to the General Offer becoming unconditional in accordance with its terms, the JSE has granted approval for the suspension of the listing of the Ordinary Shares on the JSE with effect from the commencement of trade on the JSE on the day following the General Offer Last Day to Trade, and the termination of the listing of the Ordinary Shares on the JSE from the commencement of trade on the day following the General Offer Closing Date.

2. PURPOSE OF THIS CIRCULAR

- 2.1 The purpose of this Circular is to, *inter alia*:
 - 2.1.1 provide Shareholders with relevant information regarding the Scheme and the General Offer, including the recommendation of the Independent Board in respect of the Scheme and the General Offer, the report of the Independent Expert and historical financial information on Value Group;
 - 2.1.2 convene the General Meeting in order to consider and, if deemed fit, to pass with or without modification the Resolutions necessary to approve and implement the Scheme, or the General Offer and the Delisting in accordance with the Companies Act, Takeover Regulations and the Listings Requirements. The Notice of General Meeting is attached to, and forms part of, this Circular; and
 - 2.1.3 inform Shareholders of their Appraisal Rights.
- 2.2 Shareholders are encouraged to read the full Circular to obtain a full understanding of the terms and conditions of the Scheme, the General Offer and the Delisting.

3. **RATIONALE FOR THE TRANSACTION**

- 3.1 57.92% of Value Group's Ordinary Shares are currently collectively held by Lougot and Church Street representing the interests of the majority indirect shareholder Steven Gottschalk and 18.13% collectively by Value Group's B-BBEE shareholders, Clive Sack (Group Financial Director), the Value Group Share Incentive Trust and treasury shares held by Value Logistics. This represents a high concentration of strategic shareholdings in the Company resulting in a low free float and a shareholder profile consisting of a substantial number of small Shareholders.
- 3.2 Trading in Value Group's Ordinary Shares has been characterised by extremely low liquidity. This, combined with the tightly held strategic shareholdings, has deterred potential institutional investor interest in the Company's shares. Share trading statistics reflect that Value Group's wholly-owned subsidiary, Value Logistics, through its general repurchase programmes, has been the only meaningful source of liquidity for shareholders wishing to trade their shares in recent years.
- 3.3 Accordingly, the Board believes that the Company's continued listing on the JSE does not justify the costs associated with being a listed entity and a participant in the regulated markets environment. From a shareholder perspective, the costs associated with Value Group being listed outweigh the benefit of being able to publicly trade in Value Group Shares.
- 3.4 The Delisting will also enable management of the Company to dedicate more time and resources to the Company's business operations without having to dedicate considerable time, expenses and resources to the regulatory processes associated with being a listed entity.
- 3.5 The Scheme and, if implemented, the General Offer will provide Eligible Shareholders with an opportunity to realise their investment in Value Group by facilitating an exit for them from a relatively illiquid share.
- 3.6 In the context of the above, the Board and the Independent Board are of the opinion that the Company's continued listing provides little benefit to Value Group and its shareholders.
- 3.7 The offer price of R6.75 per Value Group Ordinary Share is a 48.0% premium to the closing price on the date preceding the Cautionary Announcement dated 17 February 2021 and a 49.7% premium to the 30-day volume weighted average price on the date preceding the Cautionary Announcement.
- 3.8 The Board therefore proposes that Value Group uses its available cash resources and facilities to repurchase all of the Scheme Shares or, if applicable, all the General Offer Shares and then delist the Company from the JSE.

4. NATURE OF THE BUSINESS OF VALUE GROUP

4.1 Value Group provides a diverse range of logistical and supply chain services. Its experience spans over a vast range of industries which enables it to deliver customised solutions to customers, ensuring their competitiveness. The business model has been developed with a core focus being placed on divisional expertise, highly skilled labour, IT interfaces and a national distribution framework, ensuring a fully integrated supply chain offering to its customers.

4.1.1 Warehousing

With almost 40 years of experience, Value Group holds the knowledge and expertise allowing it to effectively accommodate and execute exceptional warehousing services across a broad range of industries. Warehousing is a key offering within Value Logistics with warehouses strategically positioned in Western Cape, Kwa-Zulu Natal, Eastern Cape and Gauteng. The Group's Warehouse Management System and IT capabilities allow it to integrate with local and global business systems resulting in efficient and seamless warehousing solutions.

4.1.2 Imports and Exports

The Clearing & Forwarding division has become an integral part of the Group having joined a strong international network of forwarding agents with over 600 offices in 190 countries, allowing it to offer clearing & forwarding services to and from anywhere in the world on a door-to-door basis. In addition to customs clearing, this division offers additional value-added services such as customs tariff consulting, full status reporting and landed costing.

4.1.3 Distribution

Value Group is the distribution partner of choice for many leading local and multi-national brands, designing distribution models to suit its clients' needs. It has the experience and expertise to respond to clients' business cycle fluctuations with speed and efficiency, ensuring product arrives at its point of destination. The Freightpak Division specialises in storage and handling of packaged dangerous goods and hazardous chemicals. Value Group's distribution solutions include local, international, cross-border and exports.

4.1.4 Transportation

The Group's transportation offerings provide its clients the opportunity to choose from a broad spectrum of rental or dedicated options within an extensive fleet, offering a range of vehicles suitable for use across all industries on a daily, monthly, ad hoc or dedicated basis.

4.1.5 Convenience

Value Group's wholly-owned Subsidiary, Key Distributors (Pty) Ltd, 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 nationally utilising Value Group's infrastructure in most regions.

4.1.6 Materials handling

Value Group is the sole distributor for Hangcha Forklifts 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.

5. TERMS AND CONDITIONS OF THE SCHEME

In terms of section 114(1) of the Companies Act, the Board proposes the Scheme between Value Group and the Scheme Participants.

5.1 The Scheme

5.1.1 Value Group will repurchase the Scheme Shares from the Scheme Participants in exchange for the Scheme Consideration.

- 5.1.2 Subject to the Scheme becoming unconditional, with effect from 09:00 on the Operative Date:
 - 5.1.2.1 the Scheme Participants (whether they voted in favour of the Scheme or not or abstained or refrained from voting) shall be deemed to have disposed of (and shall be deemed to have undertaken to transfer) their Scheme Shares, free of encumbrances, to Value Group, for an amount equal to the Scheme Consideration, and Value Group shall be deemed to have acquired registered and beneficial ownership of all the Scheme Shares;
 - 5.1.2.2 the disposal and transfer by each Scheme Participant of the Scheme Shares held by each such Scheme Participant to Value Group, and the acquisition of ownership of those Scheme Shares by Value Group, pursuant to the provisions of the Scheme, will be effected;
 - 5.1.2.3 each Scheme Participant shall be deemed to have transferred to Value Group all of the Scheme Shares held by such Scheme Participant without any further act or instrument being required; and
 - 5.1.2.4 Scheme Participants shall be entitled to receive the Scheme Consideration.
- 5.1.3 Each Scheme Participant irrevocably and in its place and stead, and for and on its behalf, authorises Value Group, as principal, with power of substitution, to cause the Scheme Shares disposed of by any Scheme Participant in terms of the Scheme to be transferred to, and registered in the name of Value Group on or at any time after the Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as Value Group in its discretion considers necessary in order to effect that transfer and registration.
- 5.1.4 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Value Group may otherwise be, or claim to be, entitled against a Scheme Participant.
- 5.1.5 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants as against Value Group only.
- 5.1.6 The effect of the Scheme will, *inter alia*, be that Value Group will, with effect from the Operative Date, become the beneficial owner of all Scheme Shares, upon which such Shares shall be immediately cancelled and have the status of authorised but unissued shares. Value Group shall have its securities register updated accordingly.
- 5.1.7 The Scheme shall be governed by the laws of South Africa (excluding the conflicts of laws rules of that jurisdiction to the extent such rules allow the application of the rules of another jurisdiction). Each Shareholder shall be deemed to have irrevocably submitted and consented to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg in relation to all matters arising out of or in connection with the Scheme.
- 5.1.8 As a consequence of the Scheme becoming operative, an application will be made to the JSE for the delisting of all of the Ordinary Shares from the JSE.

5.2 Scheme Conditions Precedent

- 5.2.1 The implementation of the Scheme is subject to the fulfilment or waiver, as the case may be, of the following Scheme Conditions Precedent by no later than Monday, 14 June 2021 ("**Longstop Date**"):
 - 5.2.1.1 all approvals, consents or waivers from those South African regulatory authorities as may be necessary for Value Group to implement the Scheme, including the TRP (by means of the issue of a compliance certificate in terms of section 121(b)(i) of the Companies Act), are obtained on an unconditional basis or, to the extent that any such regulatory approvals, consents or waivers are obtained subject to any condition or qualification, Value Group (to the extent that it is adversely affected by the condition or qualification) confirms in writing that the condition or qualification is acceptable to it, which confirmation shall not be unreasonably withheld or delayed;
 - 5.2.1.2 the Scheme Resolution being approved by the requisite majority of Shareholders eligible to vote;
 - 5.2.1.3 Value Group has not elected to treat the Scheme Resolution as a nullity pursuant to section II5(5)(b) of the Companies Act;

- 5.2.1.4 in the circumstances where Value Group has not elected to treat the Scheme Resolution as a nullity pursuant to section 115(5)(b) of the Companies Act, a Court has granted its approval pursuant to section 115(3) of the Companies Act in circumstances where:
 - 5.2.1.4.1 the Scheme Resolution is opposed by 15% or more of the voting rights that were exercised in respect of the Scheme Resolution; and
 - 5.2.1.4.2 a Shareholder who voted against the Scheme Resolution requires Value Group, within 5 (five) Business Days after the vote, to seek Court approval pursuant to section 115(3)(a) of the Companies Act;
- 5.2.1.5 no Shareholder who voted against the Scheme Resolution applies to Court within 10 Business Days after the General Meeting for leave to apply for a review of the Scheme in accordance with the requirements of sections 115(3)(b) and 115(6) of the Companies Act;
- 5.2.1.6 Value Group waives the Scheme Condition Precedent in paragraph 5.2.1.5 and the Court does not grant leave to any Shareholder to apply to Court for a review of the Scheme, as contemplated in sections 115(3)(b), 115(6) and 115(7) of the Companies Act;
- 5.2.1.7 Value Group waives the Scheme Condition Precedent in paragraph 5.2.1.6 and the Court approves the Scheme Resolution pursuant to section 115(7) of the Companies Act; and
- 5.2.1.8 with regard to Shareholders entitled to and exercising their Appraisal Rights, either: (i) Shareholders give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme at the relevant meeting in respect of less than or equal to 5% of all of the Scheme Shares; or (ii) if Shareholders give notice objecting to the Scheme and vote against the Scheme at the meeting in respect of more than 5% of all of the Scheme Shares, then, within the time period permitted in terms of the Companies Act, Dissenting Shareholders have exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of less than or equal to 5% of all the Scheme Shares, or not at all.
- 5.2.2 Value Group shall be entitled to waive (in whole or in part) in writing any one or more of the Scheme Conditions Precedent stipulated in paragraphs 5.2.1.3, 5.2.1.4, 5.2.1.5, 5.2.1.6, 5.2.1.7 and 5.2.1.8. The remaining Scheme Conditions Precedent stipulated above are not capable of waiver.
- 5.2.3 The Longstop Date may be extended by Value Group, subject to any approval as may be required from the TRP. Any extension of the Longstop Date will be announced on SENS and published in the South African press.

5.3 Scheme consideration

In the event of the Scheme Conditions Precedent being fulfilled, or waived as the case may be and the Scheme becoming operative, Scheme Participants will receive the Scheme Consideration, being R6.75 per Scheme Share.

5.4 Settlement of the Scheme Consideration

- 5.4.1 Settlement of the Scheme Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5.
- 5.4.2 Value Group or the Transfer Secretaries will administer and effect payment of the Scheme Consideration to Scheme Participants.
- 5.4.3 If the Scheme becomes operative:
 - 5.4.3.1 Dematerialised Shareholders who become Scheme Participants will have their account at their CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares on the Operative Date, or in the case of Dissenting Shareholders who subsequently become Scheme Participants as envisaged in paragraph 5.8.9, on the date contemplated in paragraph 5.8.10; and

- 5.4.3.2 Certificated Shareholders who become Scheme Participants:
 - 5.4.3.2.1 who have submitted their Documents of Title and submitted a Form of Surrender and Transfer (*blue*) to the Transfer Secretaries on or before 12:00 on the Scheme Consideration Record Date, will receive the Scheme Consideration by way of EFT to be paid into the bank account nominated by them in Part C of the Form of Surrender and Transfer (*blue*) on or about the Operative Date. If Part C on the Form of Surrender and Transfer (*blue*) is left blank or partially completed, the Scheme Consideration will be withheld until the correct details are provided by the Certificated Shareholder; or
 - 5.4.3.2.2 who fail to submit their Documents of Title and completed Form of Surrender and Transfer (*blue*) to the Transfer Secretaries or in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant as envisaged in paragraph 5.8.9, the Scheme Consideration payable to such Scheme Participant will be held in trust by Value Group (or any third party nominated by it for this purpose) for the benefit of the Scheme Participant concerned, for a maximum period of five years, after which period such funds shall be paid over to the Guardians Fund of the Court. No interest will accrue on any such funds held by Value Group.
- 5.4.3.3 The Scheme Consideration will be paid to Scheme Participants, subject to dividends tax implications described in paragraph E on page 9, in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Value Group may otherwise be, or claim to be entitled.

5.5 Required approvals for the Scheme

- 5.5.1 Pursuant to section 115(2) of the Companies Act, a scheme of arrangement in terms of section 114 of the Companies Act must be approved by a Special Resolution adopted by Shareholders entitled to exercise voting rights on such matter, at a meeting called for that purpose. At least 25% of the voting rights that are entitled to be exercised must be present at the meeting.
- 5.5.2 In the event that at least 15% of the voting rights exercised oppose the aforesaid Special Resolution, Value Group may not proceed to implement the Special Resolution unless a Court approves the Scheme, provided that a Shareholder who voted against the Special Resolution requires, within 5 Business Days after the vote, that Value Group seek Court approval for the Scheme. If the Scheme requires Court approval, Value Group must either apply to Court for approval within 10 Business Days after the vote and bear the costs of the application or treat the Scheme as a nullity.
- 5.5.3 Alternatively, the Special Resolution may only be implemented where any person who voted against the Special Resolution, applies to Court within 10 Business Days of the vote for leave to review the transaction. A Court may grant leave only if the applicant is acting in good faith, appears to be able to sustain proceedings and alleges facts that support the order being sought. A Court may only set aside a resolution that is manifestly unfair to Shareholders or if the vote was materially tainted by a conflict of interest, for inadequate disclosure, failure to comply with the Companies Act or MOI or if there is a significant and material irregularity.
- 5.5.4 In relation to the Scheme, the Remaining Shareholders will not be entitled to vote on the Scheme Resolution.

5.6 Effects of the Scheme and prospects of Value Group in the unlisted environment

- 5.6.1 The effect of the Scheme will be that Value Group will, with effect from the Operative Date, become the beneficial owner of all the Scheme Shares upon which such Shares shall be immediately cancelled and have the status of authorised but unissued shares. Value Group shall have its securities register updated accordingly.
- 5.6.2 The nature of Value Group's business is not likely to change pursuant to the Delisting. The composition of the Board will be considered and may be reconstituted in light of the governance requirements for an unlisted company in accordance with the Companies Act requirements following the Delisting.

5.7 Amendments, variations and modifications to the Scheme

- 5.7.1 Subject to compliance with the Companies Act, the Takeover Regulations and the Listings Requirements and consent from the TRP, Value Group will be entitled to:
 - 5.7.1.1 before or at the General Meeting, but prior to Shareholders casting their votes, make any amendment, variation or modification to the Scheme; or
 - 5.7.1.2 after the General Meeting, make any amendment, variation or modification to the Scheme, provided that no amendment, variation or modification made after the General Meeting may have the effect of negatively affecting the rights which will accrue to a Scheme Participant in terms of the Scheme.
- 5.7.2 Shareholders will be notified of any changes on SENS and published in the South African press.
- 5.7.3 All dates and times referred to in this Circular are subject to change. Any such change shall be published on SENS and in the South African press.

5.8 Dissenting Shareholders

- 5.8.1 Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. This paragraph 5.8 only provides a summary of the provisions relating to Shareholders' Appraisal Rights in terms of section 164 of the Companies Act, the complete wording of which is contained in Annexure 6.
- 5.8.2 Shareholders who wish to exercise their Appraisal Rights in terms of section 164 of the Companies Act are required, before the Scheme Resolution is voted on at the General Meeting, to give notice to Value Group in writing objecting to the Scheme Resolution in terms of section 164(3) of the Companies Act.
- 5.8.3 Within 10 Business Days after the Scheme Resolution has been adopted, Value Group must send a notice to each Shareholder who gave Value Group the notice referred to in paragraph 5.8.2 of this Circular and has neither withdrawn that notice nor voted in favour of the Scheme Resolution, informing them that the Scheme Resolution has been adopted.
- 5.8.4 A Shareholder who gave written notice to Value Group in terms paragraph 5.8.2 (and has not withdrawn that notice) and who has complied with all the procedural requirements set out in section 164 may, in terms of sections 164(5) to 164(8) of the Companies Act, if the Scheme Resolution is adopted, deliver a written notice to Value Group demanding that Value Group pay to that Shareholder the fair value for all the Shares held by that Shareholder ("**Demand**").The Demand must be delivered:
 - 5.8.4.1 within 20 Business Days after receipt of the notice from Value Group referred to in paragraph 5.8.3 of this Circular; or
 - 5.8.4.2 if the Shareholder does not receive the notice from Value Group referred to in paragraph 5.8.3 of this Circular, within 20 Business Days after learning that the Scheme Resolution has been adopted.
- 5.8.5 The Demand above must also be delivered to the TRP and must set out:
 - 5.8.5.1 the Dissenting Shareholder's name and address;
 - 5.8.5.2 the number of Shares in respect of which the Dissenting Shareholder seeks payment; and
 - 5.8.5.3 a demand for payment of the fair value of those Shares. The fair value of the Shares is determined as at the date on which, and the time immediately before, the Scheme Resolution was adopted.
- 5.8.6 A Dissenting Shareholder may withdraw its Demand before Value Group makes an offer in accordance with section 164(11) of the Companies Act or if Value Group fails to make such an offer. If a Dissenting Shareholder voluntarily withdraws its Demand, it will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Shares will be repurchased by Value Group, in accordance with paragraph 5.4 above, with retrospective effect from the Operative Date.
- 5.8.7 If Value Group receives a Demand and such Demand is not withdrawn by the Dissenting Shareholder before the Operative Date, Value Group shall, in accordance with section 164(11) of the Companies Act, within five Business Days of the Operative Date, make an offer to the Dissenting Shareholder to purchase such Shares.

- 5.8.8 Value Group's offer made in accordance with section 164(11) of the Companies Act will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the Dissenting Shareholder within 30 Business Days after it was made.
- 5.8.9 A Dissenting Shareholder that, pursuant to the exercise of its Appraisal Rights, has sent a Demand to Value Group has no further rights in respect of the Shares in respect of which it has made such Demand, other than to be paid the fair value of such Shares. Such Dissenting Shareholder will be excluded from the Scheme and will not receive the Scheme Consideration, unless:
 - 5.8.9.1 that Dissenting Shareholder withdraws that Demand before Value Group makes an offer in accordance with section 164(11) of the Companies Act or allows any offer made by Value Group to lapse;
 - 5.8.9.2 Value Group fails to make an offer in accordance with section 164(11) of the Companies Act and that Dissenting Shareholder withdraws its Demand; or
 - 5.8.9.3 Value Group revokes the Scheme Resolution by a subsequent Special Resolution, in which case that Dissenting Shareholder's rights in respect of the relevant Shares shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption.
- 5.8.10 If the Scheme becomes operative, any Dissenting Shareholder whose shareholder rights are reinstated as envisaged in paragraph 5.8.9 of this Circular:
 - 5.8.10.1 before 12:00 on the Scheme Consideration Record Date, shall be deemed to be a Scheme Participant and be eligible to participate in the Scheme and be subject to the ordinary terms and conditions of the Scheme; or
 - 5.8.10.2 after 12:00 on the Scheme Consideration Record Date, shall be deemed to have been a Scheme Participant with retrospective effect from the Scheme Record Date, provided that settlement of the Scheme Consideration and transfer of that Dissenting Shareholder's Scheme Shares to Value Group shall take place in accordance with paragraph 5.4.3.1 or paragraph 5.4.3.2 of this Circular, as the case may be, and such Dissenting Shareholder, as a term of the Scheme, authorises Value Group and/or the Transfer Secretaries in its place and stead, and for and on its behalf, to transfer its Scheme Shares to Value Group against payment of the Scheme Consideration and to take all other action and steps necessary to give effect to the aforegoing.
- 5.8.11 A Dissenting Shareholder who accepts an offer made in terms of section 164(11) of the Companies Act will become an Excluded Dissenting Shareholder and will not participate in the Scheme. The Excluded Dissenting Shareholder must thereafter, if it: (i) holds Certificated Shares, tender the Documents of Title in respect of such Certificated Shares to Value Group or the Transfer Secretaries; or (ii) holds Dematerialised Shares, instruct its CSDP or Broker to transfer those Shares to Value Group or the Transfer Secretaries. Value Group must pay that Excluded Dissenting Shareholder the offered amount within 10 Business Days after the Excluded Dissenting Shareholder has accepted the offer and tendered the Documents of Title or directed the transfer to Value Group of the Dematerialised Shares, as the case may be.
- 5.8.12 A Dissenting Shareholder who considers the offer made by Value Group in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to a Court to determine a fair value in respect of the Shares that were the subject of the Demand, and an order requiring Value Group to pay the Dissenting Shareholder the fair value so determined. The Court will, in accordance with section 164(15)(v) of the Companies Act, be required to make an order relating to:
 - 5.8.12.1 the Dissenting Shareholders, to either withdraw their respective demands or to tender their Shares as contemplated in paragraph 5.8.13; or
 - 5.8.12.2 Value Group, to pay the fair value in respect of the Shares (as determined by the Court) to each Dissenting Shareholder who tenders its Shares, subject to any conditions the Court considers necessary to ensure that Value Group fulfils its obligations under section 164 of the Companies Act.
- 5.8.13 If, pursuant to the order of the Court, any Dissenting Shareholder withdraws its Demand, the Dissenting Shareholder will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Shares will be repurchased by Value Group, in accordance with paragraph 5.4 above, with retrospective effect from the Operative Date.

- 5.8.14 If, pursuant to the order of the Court, a Dissenting Shareholder tenders its Shares to Value Group, such Dissenting Shareholder will become an Excluded Dissenting Shareholder and will not participate in the Scheme.
- 5.8.15 Shareholders should have regard to the fact that, in appropriate circumstances as detailed in section 164 of the Companies Act, the Court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.
- 5.8.16 Shareholders wishing to exercise their Appraisal Rights are strongly advised to take professional advice in connection with such decision.
- 5.8.17 A copy of section 164 of the Companies Act, which sets out the Appraisal Rights, is included in Annexure 6.

5.9 Termination Events

The Scheme will terminate and the Scheme Resolution will be treated as a nullity with immediate effect upon the Board's determination that any or all of the Scheme Conditions Precedent have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment (or waiver, to the extent possible) thereof.

5.10 Tax consequences for Scheme Participants

- 5.10.1 The tax implications of the Scheme will depend on the individual tax circumstances of each Scheme Participant and the tax jurisdictions applicable to such Scheme Participant.
- 5.10.2 The Scheme Consideration constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder. To the extent that any Shareholder is exempt from dividends tax, or dividends tax is to be withheld at a reduced rate, it will be required to complete the prescribed declarations and undertakings in terms of section 64G(2)(a) or section 64G(3), as the case may be, of the Income Tax Act before the distribution, as it would in the course of normal dividends being declared.
- 5.10.3 Where the relevant Scheme Participant is a person exempt from dividends tax in terms of section 64F of the Income Tax Act and fails to provide the prescribed documentation contemplated in section 64G(2)(a) of the Income Tax Act to the relevant regulated intermediary, such Scheme participant will receive its Scheme Consideration as a dividend on which the 20% dividends tax will be withheld. Scheme Participants who have submitted the prescribed declaration contemplated in section 64G(2)(a) of the Income Tax Act on which they have indicated to the relevant regulated intermediary that they are persons exempt from dividend tax in terms of section 64F of the Income Tax Act will have met the requirements for exemption from dividends tax.
- 5.10.4 Should the Scheme become unconditional and be implemented in accordance with its terms, the gross Scheme Consideration will be paid by EFT to Scheme Participants net of dividends tax on the gross Scheme Consideration at a rate of 20%, unless the Scheme Participant is exempt from dividends tax.
- 5.10.5 It is recommended that Scheme Participants seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position.

6. TERMS AND CONDITIONS OF THE GENERAL OFFER

6.1 Terms of the General Offer

- 6.1.1 If the Scheme fails, Value Group will implement a General Offer, in terms of sections 48 and 117(1)(c)(v) of the Companies Act and paragraph 1.15(c) of the Listings Requirements, to the Eligible Shareholders, whereby each Eligible Shareholder will be entitled to elect whether or not to dispose of all of their General Offer Shares to Value Group for the General Offer Consideration.
- 6.1.2 For the avoidance of doubt, implementation of the General Offer will be conditional on, *inter alia*, the Scheme not becoming operative. In the event that the Scheme does become operative, the General Offer will lapse and be of no force and effect.
- 6.1.3 If the Scheme does not become operative, and the General Offer becomes wholly unconditional and is implemented, then the Delisting will be implemented in terms of paragraph 1.14 of the Listings Requirements and each General Offer Participant will receive the General Offer Consideration in exchange for the General Offer Shares Tendered and disposed of to Value Group.
- 6.1.4 The effect of the General Offer will be that, with effect from the General Offer Payment Date, Value Group will acquire and own all the General Offer Shares tendered by the General Offer Participants. In the event that the General Offer is implemented and accepted by Eligible Shareholders holding at least 90% of the General Offer Shares, Value Group may, at its election, invoke the provisions of section 124(1) of the Companies Act, to compulsorily acquire all of the General Offer Shares not already tendered by the Eligible Shareholders.
- 6.1.5 If the Scheme does not become operative and the General Offer becomes wholly unconditional and is implemented, and Value Group elects not to invoke the provisions of section 124(1) of the Companies Act, Eligible Shareholders who have not accepted the General Offer will remain Shareholders in Value Group in its unlisted form.
- 6.1.6 Shareholders should note that, should the other General Offer Conditions be fulfilled (which includes the Delisting Resolution being adopted) and the General Offer be implemented, Value Group will repurchase all Shares Tendered by Eligible Shareholders regardless of whether the 90% acceptance threshold in terms of section 124(I) is reached. In such circumstances, all Eligible Shareholders who do not Tender their Shares in terms of the General Offer will remain Shareholders of Value Group and will continue to hold their Shares in Value Group in its unlisted form following the Delisting. Furthermore, even if Eligible Shareholders holding at least 90% of the General Offer Shares accept the General Offer, Value Group may elect not to invoke the provisions of section 124(I) of the Companies Act, in which event Eligible Shareholders who have not accepted the General Offer will remain Shareholders in Value Group in its unlisted form following the Delisting.

6.2 The General Offer in terms of section 48 of the Companies Act and paragraphs 5.67 and 5.69 of the Listings Requirements

- 6.2.1 The General Offer is considered to be a repurchase by Value Group of its own Shares in terms of section 48 of the Companies Act ("**Repurchase**").
- 6.2.2 The General Offer is also considered to be a specific repurchase by Value Group from the General Offer Participants in terms of paragraph 5.69(b) of the Listings Requirements ("**Specific Repurchase**").
- 6.2.3 Value Group is permitted to implement the General Offer in terms of its MOI.
- 6.2.4 The General Meeting required to *inter alia* approve the Specific Repurchase Resolution, will not be held during any prohibited period as defined in the Listings Requirements.

6.3 The General Offer Consideration

- 6.3.1 If the Scheme does not become operative and the General Offer becomes wholly unconditional, Value Group will acquire all of the General Offer Shares Tendered by the General Offer Participants for the General Offer Consideration, being R6.75 per General Offer Share.
- 6.3.2 The General Offer Consideration shall be settled, subject to dividends tax implications described in paragraph D on page 13 in full, in accordance with the terms of the General Offer without regard to any *lien*, right of set-off, counterclaim or other analogous right to which Value Group, may otherwise be, or claim to be, entitled against a General Offer Participant.
- 6.3.3 For details regarding the settlement of the General Offer Consideration, Eligible Shareholders are referred to paragraph 6.7 of this Circular for more information.

6.4 The General Offer Period

- 6.4.1 The General Offer is irrevocable and will be open for acceptance from 11:00 on the General Offer Opening Date, and will, in the event that the Scheme does not become operative but subject to it becoming unconditional, close at 12:00 on the General Offer Closing Date, in accordance with Takeover Regulations 102(4) and 105(5)(b).
- 6.4.2 Accordingly, the General Offer will remain open for acceptance by those Eligible Shareholders that are recorded in the Register at any time during the General Offer Period, subject to the Scheme not becoming operative. In the event that the Scheme becomes operative the General Offer will lapse.
- 6.4.3 In accordance with Takeover Regulation 103(1)(b)(i), Value Group may, in its absolute and sole discretion, extend the General Offer Period. Shareholders will be notified of any such extension on SENS and in the South African press.

6.5 The General Offer Conditions

- 6.5.1 Implementation of the General Offer is subject to the fulfilment or waiver, as the case may be, of the following conditions ("**General Offer Conditions**") by no later than Monday, 14 June 2021:
 - 6.5.1.1 the Scheme does not become operative;
 - 6.5.1.2 the Repurchase Resolution and the Specific Repurchase Resolution being approved by the requisite majority of Shareholders eligible to vote;
 - 6.5.1.3 the Delisting Resolution is adopted by the requisite majority of Eligible Shareholders at the General Meeting as contemplated in paragraphs 1.15(a) and 1.16 of the Listings Requirements;
 - 6.5.1.4 the receipt of all approvals, consents or waivers from those South African regulatory authorities as may be necessary for Value Group to implement the General Offer and Delisting, including the TRP (by means of issue of a compliance certificate in terms of section 121(b)(i) of the Companies Act) on an unconditional basis or, to the extent that any such regulatory approvals, consents or waivers are obtained subject to any condition or qualification, Value Group (to the extent that it is adversely affected by the condition or qualification) confirms in writing that the condition or qualification is acceptable to it, which confirmation shall not be unreasonably withheld or delayed; and
 - 6.5.1.5 should Shareholders elect to exercise Appraisal Rights, either: (i) Shareholders give notice objecting to the Repurchase Resolution as contemplated in section 164(3) of the Companies Act and vote against the Repurchase Resolution at the relevant meeting in respect of less than or equal to 5% of all of the General Offer Shares; or (ii) if Shareholders give notice objecting to the Repurchase Resolution and vote against the Repurchase Resolution at the meeting in respect of more than 5% of all of the General Offer Shares, then, within the time period permitted in terms of the Companies Act, such Shareholders have exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of less than or equal to 5% of all the General Offer Shares, or not at all.

6.5.2 Waiver and extension of General Offer Conditions

- 6.5.2.1 The General Offer Conditions set out in paragraphs 6.5.1.3 and 6.5.1.5 are capable of waiver by Value Group, and the time and/or date for fulfilment or waiver of such General Offer Conditions may be extended by Value Group as may be agreed between Value Group and the TRP.
- 6.5.2.2 The General Offer Conditions set out in paragraphs 6.5.1.1, 6.5.1.2 and 6.5.1.4 are not capable of waiver but the time and/or date for fulfilment of these General Offer Conditions may be extended by Value Group as may be agreed between Value Group and the TRP.
- 6.5.2.3 An announcement will be released on SENS as soon as practicable after all the General Offer Conditions have been fulfilled or waived, if the General Offer Conditions are not fulfilled or waived timeously, or if the time and/or date for fulfilment or waiver of the General Offer Conditions is extended.

6.6 Procedure for acceptance of the General Offer

- 6.6.1 Subject to the Scheme not becoming operative, if an Eligible Shareholder does not wish to accept the General Offer in respect of any of the General Offer Shares held by them they do not need to take any further action and will continue to hold their General Offer Shares and will be deemed to be a Non-accepting Shareholder. Non-accepting Shareholders are advised that in the event that the General Offer is implemented, Value Group may invoke the provisions of section 124(1) of the Companies Act.
- 6.6.2 For the avoidance of doubt, Eligible Shareholders will be entitled to accept the General Offer from 11:00 on the General Offer Opening Date. However, any General Offer Shares Tendered will not be acquired by Value Group until such time as the General Offer is implemented (which itself is conditional on the Scheme not becoming operative and the General Offer becoming wholly unconditional).

- 6.6.3 Dematerialised Shareholders:
 - 6.6.3.1 Eligible Shareholders who hold Dematerialised Shares and who wish to accept the General Offer in respect of all of their General Offer Shares are required to accept the General Offer in accordance with the instructions set out above on page 12 of this Circular.
 - 6.6.3.2 Once an Eligible Shareholder's acceptance of the General Offer in respect of any of its General Offer Shares has been communicated to the Transfer Secretaries, such acceptance of the General Offer will be final and irrevocable, and the Eligible Shareholder may not withdraw its acceptance of the General Offer unless expressly permitted by the Companies Regulations.
 - 6.6.3.3 If an Eligible Shareholder's acceptance is not communicated to the Transfer Secretaries through a Broker or CSDP by 12:00 on the General Offer Closing Date, such Eligible Shareholder who holds Dematerialised Shares will be deemed to have declined the General Offer and will continue to hold its General Offer Shares and remain a Shareholder, subject to the Scheme not becoming operative or section 124(1) of the Companies Act. Late acceptances of the General Offer may be accepted or rejected at Value Group's sole discretion.
 - 6.6.3.4 Dematerialised Shareholders must **NOT** complete the Form of Acceptance and Transfer (green).
 - 6.6.3.5 The attention of Dematerialised Shareholders is drawn to the fact that, if they accept the General Offer, they will not be entitled to rematerialise and/or trade or otherwise deal in their General Offer Shares that have been Tendered between the date of acceptance and the General Offer Payment Date, or if the General Offer is not implemented, between the date of acceptance and the date on which the General Offer Iapses. Dematerialised Shareholders will, however, be entitled to sell such General Offer Shares Tendered to Value Group in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.
- 6.6.4 Certificated Shareholders:
 - 6.6.4.1 Eligible Shareholders who hold Certificated Shares and who wish to accept the General Offer in respect of all of their General Offer Shares are required to accept the General Offer by completing the Form of Acceptance and Transfer (green) and delivering it, together with the Documents of Title in respect of the General Offer Shares Tendered by them, in accordance with the instructions set out on page 12 in the section titled "Action Required by Shareholders in respect of the General Offer" of this Circular, to the Transfer Secretaries by no later than 12:00 on the General Offer Closing Date.
 - 6.6.4.2 Once a duly completed and signed Form of Acceptance and Transfer (green) together with the Documents of Title in respect of the General Offer Shares Tendered is received by the Transfer Secretaries in respect of any of an Eligible Shareholder's General Offer Shares, such acceptance of the General Offer will be final and irrevocable and such Eligible Shareholder may not withdraw its acceptance of the General Offer unless expressly permitted by the Companies Regulations.
 - 6.6.4.3 If the General Offer is not validly accepted by an Eligible Shareholder who holds Certificated Shares by 12:00 on the General Offer Closing Date, the General Offer will be deemed to have been declined by that Eligible Shareholder. Late acceptances may be accepted or rejected at Value Group's sole discretion.
 - 6.6.4.4 Eligible Shareholders holding Certificated Shares and who complete the Form of Surrender and Transfer (*blue*) and return it, together with the relevant Documents of Title, to the Transfer Secretaries in anticipation of the Scheme becoming operative, and who wish to accept the General Offer, will still be required to complete the Form of Acceptance and Transfer (*green*), but will not be required to surrender their Documents of Title again.

- 6.6.4.5 Forms of Acceptance and Transfer (green) and Documents of Title that are sent through the post are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the General Offer are received timeously. It is therefore recommended that duly completed Forms of Acceptance and Transfer (green), and Documents of Title be sent by registered post, or delivered by hand to the Transfer Secretaries.
- 6.6.4.6 No receipt will be issued for Documents of Title surrendered unless specifically requested.
- 6.6.4.7 Documents of Title surrendered in acceptance of the General Offer will be held in trust by the Transfer Secretaries, at the risk of the relevant Certificated Shareholders, pending the General Offer being implemented.
- 6.6.4.8 If Documents of Title relating to any General Offer Shares Tendered are lost or destroyed, Value Group may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Value Group that the Documents of Title in respect of any of the General Offer Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to Value Group. Accordingly, if the Documents of Title in respect of any of General Offer Shares Tendered by a Certificated Shareholder have been lost or destroyed, such Certificated Shareholder should nevertheless return the Form of Acceptance and Transfer (green), duly signed and completed, to the Transfer Secretaries, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.
- 6.6.4.9 The attention of Eligible Shareholders who are Certificated Shareholders is drawn to the fact that, if they surrender their Documents of Title pursuant to their acceptance of the General Offer, they:
 - 6.6.4.9.1 will continue to be entitled to participate in, speak and vote at the General Meeting as if the surrender of Documents of Title had not occurred; and
 - 6.6.4.9.2 will not be entitled to Dematerialise, trade or otherwise deal in their General Offer Shares that have been Tendered between the date of surrender and the General Offer Payment Date, or if the General Offer is not implemented, between the date of surrender and the date on which their General Offer Shares are returned to them as set out in this Circular, provided that they will be entitled to sell such General Offer Shares Tendered in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.
- 6.6.4.10 If the General Offer lapses because any of the General Offer Conditions are not fulfilled or waived, then any Documents of Title surrendered and held by the Transfer Secretaries will be returned to the relevant Eligible Shareholders by the Transfer Secretaries, at such Eligible Shareholders' own risk, by registered post within approximately five Business Days from the date on which the General Offer lapses or the Scheme does not become operative, whichever is the later.
- 6.6.4.11 Value Group reserves the right, in its absolute and sole discretion:
 - 6.6.4.11.1 to treat as valid, Forms of Acceptance and Transfer (green) not accompanied by the relevant Documents of Title (or, if applicable, evidence reasonably satisfactory to Value Group that the Documents of Title in respect of the relevant General Offer Shares have been lost or destroyed and an indemnity reasonably acceptable to Value Group, as detailed above);
 - 6.6.4.11.2 to treat as valid, Forms of Acceptance and Transfer that have not been completed in accordance with the instructions set out in this Circular and the Form of Acceptance and Transfer (green); and
 - 6.6.4.11.3 to require proof of the authority of the person signing a Form of Acceptance and Transfer (green), where such proof has not been lodged with, or recorded by, the Transfer Secretaries.

6.7 Settlement of the General Offer Consideration

- 6.7.1 In the event that the General Offer becomes wholly unconditional and is implemented, General Offer Participants will be entitled to receive the General Offer Consideration in respect of the General Offer Shares Tendered by them in terms of the General Offer.
- 6.7.2 Settlement of the General Offer Consideration shall be subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5.
- 6.7.3 Settlement of the General Offer Consideration will be administered and effected by Value Group or the Transfer Secretaries, on behalf of Value Group.
- 6.7.4 Value Group's obligation to make payment of the General Offer Consideration to the General Offer Participants will be fully and finally discharged upon Value Group making payment of the General Offer Consideration to the Transfer Secretaries.
- 6.7.5 Dematerialised Shareholders

If the General Offer becomes wholly unconditional and is implemented, General Offer Participants who hold Dematerialised Shares will have their accounts held at their Broker or CSDP debited with the relevant number of General Offer Shares Tendered and credited with the General Offer Consideration in respect of such General Offer Shares Tendered, within six Business Days of the later of the General Offer being declared wholly unconditional and acceptance of the General Offer.

6.7.6 Certificated Shareholders

If the General Offer becomes wholly unconditional and is implemented, General Offer Participants who hold Certificated Shares and who deliver a duly completed Form of Acceptance and Transfer (green) and surrender their Documents of Title to the Transfer Secretaries in accordance with the instructions set out in the section titled "Action Required by Shareholders in respect of the General Offer" of this Circular on or before 12:00 on the General Offer Closing Date, will have the General Offer Consideration in respect of such General Offer Shares Tendered paid into the bank account nominated by them in Part C of the Form of Acceptance and Transfer (green) within six Business Days of the later of the General Offer being declared wholly unconditional and acceptance of the General Offer. If Part C on the Form of Acceptance and Transfer (green) is left blank or partially completed, the General Offer Consideration will be withheld until the correct details are provided by the Certificated Shareholder

6.8 **Compulsory acquisition in terms of section 124 of the Companies Act**

- 6.8.1 In the event that the General Offer is implemented and accepted by Eligible Shareholders holding at least 90% of the General Offer Shares, Value Group may, at its election, invoke the provisions of section 124(1) of the Companies Act, to compulsorily acquire all of the General Offer Shares not already Tendered by the Eligible Shareholders.
- 6.8.2 Should the requisite number of acceptances be obtained to allow the provisions of section 124(1) of the Companies Act to be invoked and if Value Group does so invoke them, the prescribed notice will be sent to the Non-accepting Shareholders, as envisaged in section 124(1)(a) of the Companies Act, and will incorporate a Form of Acceptance and Transfer (green).
- 6.8.3 The provisions of section 124 of the Companies Act are set out in Annexure 6.

6.9 Tax consequences for General Offer Participants

- 6.9.1 The tax implications of the General Offer will depend on the individual tax circumstances of each General Offer Participant and the tax jurisdictions applicable to such General Offer Participant.
- 6.9.2 The General Offer Consideration constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder. To the extent that any Shareholder is exempt from dividends tax, or dividends tax is to be withheld at a reduced rate, it will be required to complete the prescribed declarations and undertakings in terms of section 64G(2)(a) or section 64G(3), as the case may be, of the Income Tax Act before the distribution, as it would in the course of normal dividends being declared.
- 6.9.3 Where the relevant Eligible Shareholder is a person exempt from dividends tax in terms of section 64F of the Income Tax Act and fails to provide the prescribed documentation contemplated in section 64G(2)(a) of the Income Tax Act to the relevant regulated intermediary, such Eligible

Shareholder will receive its General Offer Consideration as a dividend on which the 20% dividends tax will be withheld. Eligible Shareholders who have submitted the prescribed declaration contemplated in section 64G(2)(a) of the Income Tax Act on which they have indicated to the relevant regulated intermediary that they are persons exempt from dividends tax in terms of section 64F of the Income Tax Act, will have met the requirements for exemption from dividends tax.

- 6.9.4 Should the General Offer become unconditional and be implemented in accordance with its terms, the gross General Offer Consideration will be paid by EFT to Eligible Shareholders net of dividends tax on the gross General Offer Consideration at a rate of 20%, unless the Eligible Shareholder is exempt from dividends tax.
- 6.9.5 It is recommended that General Offer Participants seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position.

6.10 General

Within one Business Day of the fulfilment or waiver (to the extent permitted) of all of the General Offer Conditions, Value Group shall publish an announcement on SENS to such effect. Upon publication of the aforementioned SENS announcement, all of the General Offer Conditions shall be deemed to have been fulfilled or waived (to the extent permitted) notwithstanding that Value Group may subsequently discover that any General Offer Condition may not have been fulfilled or waived (as applicable).

6.11 Appraisal Rights

- 6.11.1 Shareholders are referred to paragraph VIII of the section titled "Action Required by Shareholders in respect of the General Offer" commencing on page 12 of this Circular regarding the General Offer constituting a scheme of arrangement.
- 6.11.2 Shareholders are accordingly advised that the provisions of paragraph 5.8 (and any related provisions of the Notice) apply *mutatis mutandis* to General Offer Participants in respect of Special Resolution number 2 as contained in the Notice. Shareholders are also referred to Annexure 6, which contains the wording of section 164 of the Companies Act.

7. TERMINATION EVENTS

- 7.1 The Scheme and/or General Offer (as applicable) will terminate and, as regard the Scheme, the Scheme Resolution will be treated as a nullity, with immediate effect, upon the Board's determination that any or all of the Scheme Conditions Precedent or General Offer Conditions, as the case may be, have not been fulfilled (or waived, to the extent possible) on or before the relevant date/s for fulfilment (or waiver, to the extent possible).
- 7.2 In the event that the Scheme and General Offer do not become unconditional or are otherwise not implemented for whatsoever reason, the Shares held by the Dissenting Shareholders will not be purchased by Value Group in terms of section 164 of the Companies Act.

8. AUTHORITY TO IMPLEMENT THE SCHEME, GENERAL OFFER AND DELISTING

- 8.1 At the General Meeting, the following Resolutions regarding approvals required to implement the Scheme, the Repurchase, the Specific Repurchase and the Delisting will be proposed to Eligible Shareholders:
 - 8.1.1 Special Resolutions:
 - 8.1.1.1 the approval of the Scheme in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act; and
 - 8.1.1.2 the approval of the Repurchase, in terms of section 48(8) of the Companies Act; and
 - 8.1.1.3 the approval of the Specific Repurchase, in terms of paragraph 5.69 of the Listings Requirements;
 - 8.1.2 Ordinary Resolution:
 - 8.1.2.1 the Delisting in accordance with paragraphs 1.15 and 1.16 of the Listings Requirements.

9. A SHARES AND B-BBEE ORDINARY SHAREHOLDERS

- 9.1 Value Group is not required in terms of section 125(2) of the Companies Act and regulation 87 of the Takeover Regulations to make a comparable offer to the share option holders under Value Group's share incentive scheme, nor to the Value Group Empowerment Trust as holder of the A Shares.
- 9.2 In accordance with the terms and conditions of the B-BBEE Transaction and in accordance with the trust deed of the Value Group Empowerment Trust, Value Group has elected for the Value Group Empowerment Trust to retain its A Shares and not participate in the Offer.
- 9.3 Subject to the Scheme becoming operative and the Delisting being implemented, the current Employee Empowerment Scheme requires amendment in order to remain functional in an unlisted environment. As Value Group's Ordinary Shares will no longer be listed, the references in the Employee Empowerment Scheme to the JSE traded Ordinary Share price or value weighted average Ordinary Share price need to be replaced to allow for the determination of the relevant Ordinary Share price and notional loan repurchase rights. It is proposed that these references to the JSE traded price and value weighted average price be replaced with a multiple of Value Group's consolidated Headline Earnings per share which is to be calculated annually by the Board based on audited annual financials statements.
- 9.4 The adjustment in paragraph 9.3 above will require confirmation by Value Group's auditors, as required in accordance with the terms and conditions of the Employee Empowerment Scheme, as being not less favourable to the Value Group Empowerment Trust and its beneficiaries than the original terms and conditions contained in the B-BBEE Transaction.
- 9.5 The B-BBEE Ordinary Shareholders have agreed not to participate in the Offer.

10. AGREEMENTS IN RELATION TO THE OFFER AND THE REMAINING SHAREHOLDERS

- 10.1 The Remaining Shareholders who have agreed not to participate in the Offer and thereby not receive the Offer Consideration are set out below:
 - 10.1.1 Lougot and Church Street, in aggregate holding 95,929,020 Ordinary Shares representing Steven Gottschalk's indirect, non-beneficial shareholding;
 - 10.1.2 the B-BBEE Shareholders, being:
 - 10.1.2.1 Opsiweb holding 14,600,614 Ordinary Shares representing Dr Phosa's indirect, nonbeneficial shareholding;
 - 10.1.2.2 Diplobuzz holding 6,257,406 Ordinary Shares representing Mano Padiyachy's indirect, nonbeneficial shareholding;
 - 10.1.2.3 Mano Padiyachy in respect of his direct holding of 375,000 Ordinary Shares; and
 - 10.1.2.4 The Value Group Empowerment Trust holding 10,429,010 A Shares, which were created and issued to give effect to Employee Empowerment Scheme which was implemented in terms of the B-BBEE transaction.
 - 10.1.3 Clive Sack holding 2,802,136 Ordinary Shares;
 - 10.1.4 The Value Group Share Incentive Trust holding 1,012,136 Ordinary Shares; and
 - 10.1.5 Value Logistics holding 4,997,154 Ordinary Shares as treasury shares.
- 10.2 Value Group and the Remaining Shareholders are considered to be concert parties in relation to the Offer in terms of regulation 84 of the Takeover Regulations and have therefore made declarations in the required form to Value Group and the TRP, as applicable, as required by regulation 84(5) of the Takeover Regulations. The Remaining Shareholders will, accordingly, abstain from voting on the Resolutions (other than the Specific Repurchase Resolution) at the General Meeting.
- 10.3 With the exception of the arrangement noted in paragraphs 10.1 and 10.2, no agreements or understandings which have any connection with or dependence on the Offer exist between Value Group or any person acting in concert with it or any Directors or any person who was a Value Group director within the period commencing 12 months prior to the date on which details of the Offer were published in the press, or any person which is or was a Shareholder within the abovementioned period as at the Last Practicable Date.
- 10.4 Other than as set out in this Circular, no other written agreements exist between Value Group and any Shareholders which could be considered material to a decision regarding the Offer to be taken by Shareholders.

II. OPINIONS AND RECOMMENDATIONS

- 11.1 The Independent Board has appointed the Independent Expert, an independent advisor acceptable to the TRP, to provide a fair and reasonable opinion regarding the Scheme and the General Offer, and to make appropriate recommendations to the Independent Board and the Board in the form of a report contemplated in section 114(3) of the Companies Act and as contemplated in regulation 90 of the Takeover Regulations. Similarly, in accordance with paragraph 1.15(d) and Schedule 5 of the Listings Requirements, the Independent Board appointed the Independent Expert for the purposes of providing external advice in regard to the fairness of the General Offer Consideration in so far as same relates to the Delisting, in the event that the Scheme does not become operative but the General Offer is implemented. The Independent Expert's report on the Scheme and the General Offer is set out in Annexure 1.
- 11.2 The Independent Expert has, as contemplated in regulation 110(3) of the Takeover Regulations, performed a valuation of the Shares and its report includes the items required by section 114(3) of the Companies Act.
- 11.3 Taking into consideration the terms and conditions of the Scheme and the General Offer, the Independent Expert is of the opinion that such terms and conditions are fair and reasonable to Scheme Participants and General Offer Participants, as the case may be. The Offer Consideration is within the Independent Expert's valuation range for the fair value per Share.
- 11.4 The Independent Board, after due consideration of the report of the Independent Expert, and in accordance with its responsibilities in terms of regulation 110 of the Takeover Regulations, has formed a view of the range of the fair value of the Shares, which is within the valuation range contained in the Independent Expert's opinion. The Independent Board is not aware of factors that are difficult to quantify, or are unquantifiable, to take into account in forming its opinion.
- 11.5 The Independent Board has not received any other offers during the Offer Period or within six months before the Offer Period.
- 11.6 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions thereof, and is unanimously of the opinion that the terms and conditions of the Scheme, the General Offer, the Repurchase and the Delisting are fair and reasonable to Shareholders and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolutions.
- 11.7 Shareholders should take note that the Board, taking into account the report of the Independent Expert, has considered the terms and conditions thereof, and is unanimously of the opinion that the terms and conditions of the Scheme, the General Offer, the Repurchase and the Delisting are fair and reasonable to Shareholders and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolutions.
- 11.8 Directors who are Shareholders that are not Excluded Shareholders intend to vote all of the Shares that they own or control in favour of the Resolutions at the General Meeting or accept the General Offer in respect of all such Shares, whichever is applicable.

12. ADEQUACY OF CAPITAL

- 12.1 Value Group will use its existing cash resources and facilities to fund the Offer Consideration.
- 12.2 The Board has considered the impact of the Scheme and the General Offer and is of the opinion that:
 - 12.2.1 the relevant provisions of sections 4, 46 and 48 of the Companies Act in relation to the Offer have been complied with or will be complied with;
 - 12.2.2 the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months from the date of approval of this Circular;
 - 12.2.3 the assets of the Group will be in excess of its liabilities for a period of 12 months from the date of approval of this Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Group;
 - 12.2.4 the share capital and reserves of the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of this Circular; and
 - 12.2.5 the working capital of the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of this Circular.

- 12.3 Furthermore, the Board states as follows:
 - 12.3.1 in terms of section 46(1)(a)(ii) of the Companies Act and paragraph 5.69(d) of the Listings Requirements, the Board has, by resolution, authorised the Offer;
 - 12.3.2 in terms of section 46(1)(b) of the Companies Act, it reasonably appears that Value Group and the Group will satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act ("**Solvency and Liquidity Test**") immediately after completing the Offer; and
 - 12.3.3 in terms of section 46(1)(c) of the Companies Act and paragraph 5.69 of the Listings Requirements, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test, and reasonably concluded that Value Group will satisfy the Solvency and Liquidity Test immediately after completing the Offer and that, since the Solvency and Liquidity Test was performed by the Board, there have been no material changes to the financial position of Value Group and the Group, including since the end of the six-month period ended 31 August 2020 and the Last Practicable Date.

13. WRITTEN CONFIRMATION

- 13.1 The maximum aggregate number of Scheme Shares to be repurchased will be 39,663,398 Scheme Shares and accordingly the maximum aggregate Scheme Consideration payable by Value Group will be R267,727,936.50. Similarly, the maximum aggregate number of General Offer Shares to be acquired in terms of the General Offer will be 39,663,398 General Offer Shares and accordingly the maximum aggregate General Offer Shares and accordingly the maximum aggregate General Offer Consideration payable by Value Group will be R267,727,936.50.
- 13.2 The funds to settle the Scheme Consideration or the General Offer Consideration, as applicable, are available from Value Group's existing cash resources and facilities, and Value Group has procured from Rand Merchant Bank a division of Firstrand Bank Limited and has delivered to the TRP, an irrevocable, unconditional written confirmation (in conformity with regulations 111(4) and 111(5) of the Takeover Regulations) in respect of the maximum possible Scheme Consideration or General Offer Consideration, whichever is applicable.
- 13.3 Value Group confirms, in accordance with regulation 106(6)(c) of the Takeover Regulations, that the Offer Consideration has been financed from available internal cash resources and facilities and will not be considered highly-leveraged following the implementation of the Offer.

14. DEALINGS IN SHARES BY REMAINING SHAREHOLDERS

- 14.1 Value Group had no dealings in Shares of the Company in the period beginning six months before the date of the Firm Intention Announcement up to the Last Practicable Date.
- 14.2 The Remaining Shareholders had no dealings in Shares in the period beginning six months before the date of the Firm Intention Announcement up to the Last Practicable Date.

15. INFORMATION RELATING TO VALUE GROUP

15.1 Share Capital

15.1.1 On the Last Practicable Date before the issue of this Circular, the authorised and issued share capital of the Company was:

	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	165,636,864	166
A ordinary shares of R0.001 each	10,429,010	10
Share premium		10,643
Total		10,819

15.1.2 Following implementation of the Offer, the authorised and issued share capital of the Company will be as follows:

	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	125,973,466	126
A ordinary shares of R0.001 each	10,429,010	10
Share premium		10,643
Total		10,779

^{15.1.3} As at the Last Practicable Date, Value Logistics held 4,997,154 Ordinary Shares as treasury shares.

15.2 Major Shareholders

15.2.1 As at the Last Practicable Date, the below Shareholders, other than Directors, were, directly beneficially interested in 5% or more of the Shares:

Shareholder	Number of Ordinary Shares held	Number of A Shares held	% of total issued Ordinary Shares	% of total voting rights
Foord Asset Management Value Group Empowerment	12,785,683	_	7.7	7.3
Trust (A Shares)	-	10,429,010	_	5.9
Total	12,785,683	10,429,010	7.7	13.2

16. INFORMATION ON DIRECTORS

16.1 Interests of Directors in Shares

16.1.1 The direct and indirect beneficial interests of the directors (and their Associates), including any director who resigned within the last 18 months, in the Company's Ordinary Shares as at the Last Practicable Date before the issue of this Circular, are set out below:

Director	Dir	ect	Indi	irect		
	Beneficial	Non- beneficial	Beneficial	Non- beneficial	Total	% of total issued Ordinary Shares
Executive						
SD Gottschalk	_	_	_	95,929,020	95,929,020	57.9
CL Sack	2,802,136	_	_	_	2,802,136	1.7
M Padiyachy	375,000	_	6,257,406	_	6,632,406	4.0
Non-						
executive						
Dr Phosa	_	_	14,600,614	_	14,600,614	8.8
CD Stein	3,070	_	_	_	3,070	_
VW Mcobothi	38,250	_	_	_	38,250	_
IM Groves*	_	_	_	_	_	_
B Bulo	_	_	-	-	_	_
Total	3,218,726	-	20,858,020	95,929,020	120,005,766	72.4

*Resigned within the last 18 months.

16.2 Directors' dealings in Shares

- 16.2.1 Mr VM Mcobothi purchased 15,000 Ordinary Shares on 17 June 2020 for an aggregate consideration of R66,000 translating into R4.40 per Share.
- 16.2.2 Other than as set out in paragraph 16.2.1 above, there have been no changes in the directors' interests in Ordinary Shares between the date of its preceding financial year end, being 29 February 2020, and the Last Practicable Date:
- 16.2.3 No Directors dealt in Shares in the period beginning six months before the date of the Firm Intention Announcement.

16.3 Directors' interests in the Offer

- 16.3.1 Steven Gottschalk, Clive Sack, Dr Phosa and Mano Padiyachy are Remaining Shareholders and, as such, will not be participating in the Offer.
- 16.3.2 Save for their direct and/or indirect participation in the Offer as Shareholders, none of the other Directors have any direct or indirect beneficial interest in the Offer.

16.4 Directors' remuneration

- 16.4.1 The Directors' remuneration and benefits are set out in the consolidated audited historical financial statements of Value Group for the financial year ended 29 February 2020 which have been incorporated by reference.
- 16.4.2 There will be no change to the remuneration of the Directors as a result of the Offer.

16.5 Service agreements

- 16.5.1 The executive directors are appointed to the board based on their ability to contribute expertise and experience appropriate to achieving Value Group's objectives as a leading logistics service provider.
- 16.5.2 Executive directors are not employed on fixed-term service contracts and have standard employment agreements with standard terms and conditions, save as set out in 16.5.3 below.
- 16.5.3 Steven Gottschalk's employment agreement makes provision for a notice period of 3 months and a restraint of trade undertaking of 3 years after termination of employment, while the employment agreements of Clive Sack and Mano 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.
- 16.5.4 There were no new service contracts with Directors entered into or amended within six months before the date of the Firm Intention Announcement, and there will be no amendment to the service contracts with Directors as a result of the Offer. Service contracts with Directors are available for inspection in accordance with paragraph 27 below.

17. IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT

17.1 As at the Last Practicable Date, the following Eligible Shareholders have provided irrevocable undertakings to vote the recorded number of Shares, which are either held as principal or on behalf of clients including such additional number of Shares as they may hold at the time of the General Meeting (together, the "Relevant Shares"), in favour of the Scheme Resolution, the Repurchase Resolution and the Delisting Resolution. These Eligible Shareholders will not vote on the Specific Repurchase Resolution in accordance with paragraph 5.69(b) of the Listings Requirements. The Eligible Shareholders who provided irrevocable undertakings have furthermore irrevocably undertaken to accept the General Offer in respect of all of the Relevant Shares.

Eligible Shareholder	Number of Shares held	Percentage of Shares (%)	Percentage of Eligible Votes
Old Mutual Customised Solutions (Pty) Ltd	3,943,408	2.4	9.9
Mr Gerald Lohan	350,000	0.2	0.9
Me Lindsey Kleynhans	253,000	0.2	0.6
Mr Gerald Williams	150,000	0.1	0.4
Total Irrevocable Undertakings	4,696,408	2.8	11.8

- 17.2 Irrevocable undertakings from Eligible Shareholders represent 11.8% of all Shares eligible to vote on the Scheme Resolution, the Repurchase Resolution and the Delisting Resolution.
- 17.3 As at the Last Practicable Date, the following Eligible Shareholder has provided a letter of support which states, without providing an irrevocable undertaking, that it will recommend to its clients to instruct it (and then, subject to receiving their instructions accordingly) to vote the Relevant Shares set out below in favour of the Scheme Resolution, Repurchase Resolution and Delisting Resolution at the General Meeting.

Eligible Shareholder	Number of Shares held	Percentage of Shares (%)	Percentage of Eligible Votes
Foord Asset Management (paragraph 17.4 refers)	12,785,683	7.7	32.2
Total Letters of Support	12,785,683	7.7	32.2

- 17.4 Letters of support from Eligible Shareholders, should they participate in the General Meeting, represent 32.2% of all Shares eligible to vote on the Scheme Resolution, the Repurchase Resolution and the Delisting Resolution. The Letters of Support are not binding on Foord Asset Management and its clients. Foord Asset Management and the clients it represents are not obligated to vote in favour of the Scheme Resolution, Repurchase Resolution and Delisting Resolution at the General Meeting.
- 17.5 Copies of these irrevocable undertakings and letters of support are available for inspection in accordance with paragraph 27.

18. FINANCIAL INFORMATION

- 18.1 The extracts of the consolidated audited historical financial statements of Value Group for the financial years ended 28 February 2018, 28 February 2019 and 29 February 2020 are included in Annexure 2. Full copies of the last three years' audited historical financial statements are available in the Investor Relations Section of Value Group's website www.value.co.za.
- 18.2 Extracts from the unaudited consolidated interim results of Value Group for the six months ended 31 August 2020 are included in Annexure 3.
- 18.3 Shareholders are advised that the financial results of Value Group for the year ended 28 February 2021 are currently being finalised and either audited or reviewed results will be published on SENS as soon as they are available. Value Group will endeavour to publish its audited or reviewed financial results for the year ended 28 February 2021 by no later than 11:00 on Wednesday, 5 May 2021, being at least 15 Business Days before the General Meeting. If Value Group is unable to do so, the General Meeting shall still be convened at 11:00 on Thursday, 27 May 2021, but then immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 15 Business Days after publication of such financial results.
- 18.4 Since the Offer Consideration is a cash offer and not an offer for shares, *pro forma* financial effects are not required to be included in this Circular in terms of regulation 106(6)(d) of the Takeover Regulations.

19. FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

A summary of the Exchange Control Regulations as they apply to Offer Participants, is included in Annexure 5. Offer Participants who are Foreign Shareholders must satisfy themselves as to the full observance of the laws of any relevant jurisdiction concerning the receipt of the Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Offer Participants should consult their professional advisors immediately.

20. **RESTRICTED JURISDICTIONS**

- 20.1 To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, this Circular is deemed to have been provided for information purposes only and the Board accepts no responsibility for any failure by Foreign Shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.
- 20.2 Shareholders who are in doubt as to their position should consult their professional advisors immediately.

21. NOTICE OF GENERAL MEETING

- 21.1 Given the impact of COVID-19 on in-person meetings, the General Meeting will be held and conducted entirely via electronic facility/communication in terms of section 63(2)(a) of the Companies Act at 11:00 on Thursday, 27 May 2021 (or any other adjourned or postponed date and time in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements), to consider and, if deemed fit, approve, with or without modification, the Resolutions.
- 21.2 The Notice of General Meeting, including instructions on how to participate by way of electronic communication, is attached to and forms part of this Circular.

22. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Value Group and the Group since the end of the six-month period ended 31 August 2020 and the Last Practicable Date.

23. SUSPENSION AND TERMINATION OF THE VALUE GROUP LISTING

Subject to the Scheme becoming unconditional and being implemented or the Delisting Resolution being passed, and the General Offer being implemented in the event that the Scheme does not become operative, the Delisting is currently envisaged to take place with effect from Tuesday, 6 July 2021, subject to the events set out in the section titled "Salient Dates and Times" of this Circular.

24. ADVISORS' CONSENTS

All the advisors and service providers listed in *"Corporate information and Advisors"* on page I have consented in writing, to act in the capacities stated, to their names being stated in the Circular and where applicable, to the inclusion of their reports in the form and context in which they appear in this Circular, and have not withdrawn their consents prior to publication of this Circular.

25. **RESPONSIBILITY STATEMENTS**

The Independent Board and the Board, whose names are listed on page 26 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular, certify that, to the best of their knowledge and belief, such information is true and there are no facts that have been omitted which would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Independent Board and the Board have made all reasonable enquiries to ascertain that no facts have been omitted and this Circular contains all information required by law, the Companies Act and the Listings Requirements.

26. **COSTS**

It is estimated that the total expense relating to the Offer, which will be borne by Value Group, will amount to approximately R5.29 million (exclusive of Value Added Tax) and includes the following:

Service provider	Description	R
SARS	Securities Transfer Tax	669,320
Suez Capital	Joint transaction and tax advisor	1,900,000
Investec	Joint transaction advisor and sponsor	1,500,000
Fluxmans Inc	Legal advisor	600,000
Mazars Corporate Finance Proprietary Limited	Independent Expert	160,000
Publishing and printing	Ince	100,000
TRP	Documentation fee	253,000
JSE	Documentation fee	69,827
Computershare	Secretarial services	35,000
The SA Reserve Bank	Exchange Control	1,740
Total		5,288,887

27. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will, subject to prior arrangement per email with the Group's Company Secretary (crisna@fluidrockgovernance.com), be available for inspection during normal business hours at the registered office of Value Group, from Thursday, 25 March 2021 up to and including the end of the Offer Period, being Friday, 2 July 2021:

- a signed copy of this Circular;
- the MOI of the Company and its major Subsidiaries;
- the signed report of the Independent Expert;
- the consolidated audited historical financial statements of Value Group for the financial years ended 28 February 2018, 28 February 2019 and 29 February 2020;
- the unaudited consolidated interim results of Value Group for the six months ended 31 August 2020;
- the written consents of the advisors referred to in paragraph 24;
- copies of the irrevocable undertakings;
- copies of the service agreements with the Directors; and
- letter of approval of this Circular by the TRP.

Signed on behalf of the Independent Board

Signed on behalf of the Board

Carl Stein Date 25 March 2021 Clive Sack Date 25 March 2021

Johannesburg

INDEPENDENT EXPERT'S OPINION

18 March 2021

The board of directors of Value Group Limited 49 Brewery Street Isando Kempton Park Gauteng 1600

Dear Sirs and Madams,

INDEPENDENT OPINION TO THE BOARD OF DIRECTORS OF VALUE GROUP LIMITED ("VALUE GROUP") IN TERMS OF SECTION 114(3) OF THE COMPANIES ACT, 71 OF 2008 ("COMPANIES ACT"), REGULATION 90(6) OF THE REGULATIONS TO THE COMPANIES ACT ("TAKEOVER REGULATIONS") AND SCHEDULE 5.8 OF THE JSE LIMITED'S ("JSE") LISTING REQUIREMENTS IN RESPECT OF AN OFFER TO ALL VALUE GROUP SHAREHOLDERS OTHER THAN THE REMAINING SHAREHOLDERS (AS DETAILED IN THE CIRCULAR) ("TRANSACTION").

INTRODUCTION

The Independent Board of Directors of Value Group ("Board") has appointed Mazars Corporate Finance (Pty) Ltd ("Mazars") as the independent expert in accordance with section 114(2) of the Companies Act, and Section 1.15 (d) of the JSE Listings Requirements to advise the shareholders of Value Group whether, in our opinion, the Transaction described below is fair and reasonable to the shareholders of Value Group.

The Transaction will be implemented by way of:

- a scheme of arrangement in terms of section 114(1)(e) of the Companies Act, proposed by the Board between Value Group and the scheme participants, in terms of which, if implemented, Value Group will repurchase a maximum of 39,663,398 ordinary (constituting 23.95% of Value Group's issued ordinary shares) from scheme participants for a cash consideration of R6.75 per share ("Scheme");
- separate but concurrent to the Scheme, a conditional general offer by Value Group to the eligible shareholders in terms of sections 48 and 117(1)(c)(v) of the Companies Act and paragraphs 1.15(c) and 5.69 of the Listings Requirements, to acquire all of the general offer shares for a cash consideration of R6.75 per share, which will be implemented only if the Scheme fails ("General Offer"); and
- the delisting of all shares from the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, pursuant to the General Offer being implemented.

Full details of the Transaction, along with sections 115 and 164 of the Companies Act are contained in the circular to shareholders ("Circular") dated 24 March 2021, which will include a copy of this opinion.

EXPLANATION OF THE TERM "FAIR" AND "REASONABLE"

The term "fairness" is defined in Schedule 5 of the JSE Listings Requirements as being primarily based on quantitative issues. Therefore, the consideration payable to Value Group shareholders would be considered fair if the consideration received by Value Group shareholders is equal to or greater than the value of the ordinary shares given up.

The assessment of reasonableness is based on qualitative considerations. Therefore, when all the circumstances surrounding the transaction are taken into account, it may be reasonable for the shareholders to proceed with the transaction, even though the transaction may not be fair on a quantitative basis.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from Value Group's management and from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in all material respects. For the purpose of compiling this report and the opinion contained herein, we have considered all information relevant to the securities affected by the Transaction. The principal sources of information used in formulating our opinion regarding the Transaction are as follows:

- Information and assumptions made available by the management of Value Group around the forecasted revenue, Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA"), working capital and capital expenditure for the five-year forecasted period ended 28 February 2025.
- Audited annual financial statements of Value Group for the periods ended 28 February 2017, 28 February 2018, 28 February 2019 and 29 February 2020 used for the comparison between historic and forecasted trends.
- Unaudited interim financial results of Value Group for the six-month period ended 31 August 2020.
- Unaudited management accounts of Value Group for the nine-month period ended 30 November 2020.
- Unaudited management accounts of Value Group for the 11-month period ended 31 January 2021.
- Publicly available information relating to Value Group and other comparable companies in the sector that we deemed to be relevant.
- The firm intention announcement.
- The terms and conditions of the Transaction (as detailed in the Circular).

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussions with management.

EFFECT OF THE TRANSACTION

The effect of the Scheme or the General Offer will result in Value Group acquiring an additional 39,663,398 ordinary shares preceding the delisting.

As a result of the Scheme or General Offer, participants will be compensated in cash in exchange for their rights and interests in Value Group.

Having analysed the effects of the Transaction, we have concluded that there will be no material adverse effects of the Transaction against the compensation received by the ordinary shareholders.

The implementation of the Transaction is not anticipated to have any material adverse effects on the business and prospects of Value Group, having considered the rationale of the Transaction.

LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

Mazars is pre-approved to perform fair and reasonable opinions and JSE-related work subject to a declaration of independence. Mazars has a substantial internal resource base with extensive experience in providing independent expert opinions.

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 Value Group 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 opinion is provided to the Board solely to assist the Board in forming and expressing an opinion for the benefit of the shareholders of Value Group in connection with and for the purposes of their consideration in respect of the Transaction.

There is no relationship between Mazars and any other parties involved in the Transaction. Mazars has no shares in Value Group or any other party involved in the Transaction. Mazars' fee in respect of this opinion is **R160,000** excluding VAT and is not payable in Value Group shares and is not contingent or related to the outcome of the Transaction.

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 Transaction.

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.

PROCEDURES

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

- Reviewed the audited annual financial statements of Value Group for the year ended 28 February 2017, 28 February 2018, 28 February 2019 and 29 February 2020.
- Reviewed the unaudited interim financial results of Value Group for the six-month period ended 31 August 2020.
- Reviewed the unaudited management accounts of Value Group for the nine-month period ended 30 November 2020.
- Reviewed the unaudited management accounts of Value Group for the 11-month period ended 31 January 2021.
- Considered information made available by and from discussions held with the management of Value Group.
- Reviewed the firm intention announcement.
- Reviewed general economic, market and related conditions in which Value Group operates in.
- Reviewed the methodologies available for performing valuations of businesses operating in this industry.
- Performed an indicative valuation of Value Group Limited.
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the valuations below.

In arriving at our opinion, we have considered, in addition to the procedures performed above, the following key qualitative considerations in assessing the reasonableness of the Transaction:

- Considered the rationale for the Transaction, from the perspective of Value Group.
- Considered the high concentration of strategic shareholding in the Value Group resulting in a low free float and relatively poor liquidity.
- Considered the ability to eliminate listing costs and general costs.
- Considered the prospects of Value Group and whether the Transaction will be beneficial to both Value Group and its shareholders.
- Assessed the reasonableness of the consideration against the 30-day volume weighted average price as at the date of the valuation.
- Considered the cash consideration premium offered to the closing share price of Value Group as at the date of the valuation.
- Considered the share price performance over the last five years.
- The general state of the economy and the impact this will have on current and future industry and company specific performance.

VALUATION

We have performed a valuation of Value Group to determine whether the offer represents fair value to the Value Group shareholders. We confirm that we have performed a valuation of Value Group utilising the discounted cash flow ("DCF") methodology as the primary basis. The market multiple approach was utilised for reasonability purposes.

Assumptions:

We arrived at our opinion based on the following assumptions:

- That reliance can be placed on information and assumptions made available by Value Group's management.
- That reliance can be placed on audited annual financial statements of Value Group for the year ended 28 February 2017, 28 February 2018, 28 February 2019 and 29 February 2020.
- That reliance can be placed on the unaudited interim financial results of Value Group for the six-month period ended 31 August 2020.
- That reliance can be placed on the unaudited management accounts of Value Group for the nine-month period ended 30 November 2020.
- That reliance can be placed on trading and market data obtained from external data providers.
- That the terms and conditions of the Transaction (as detailed in the Circular) are correct.
- That forecasted assumptions provided by Value Group's management are achievable.

The valuation was performed taking cognisance of Value Group's current and planned operations as well as other market factors affecting these operations. Using the value derived from the above valuation, a comparison was made between offer consideration and the fair value per share.

Key value drivers to the DCF valuation method are as follows:

Internal:

- Revenue growth rates forecasted revenue growth rates representing a compound annual growth rate ("CAGR") of 4.2% was considered against historic revenue growth rates achieved.
- Profit margins to be achieved through the forecast period forecasted profit margins were considered against historic profit margins achieved.
- The discount rates applicable to Value Group the weighted average cost of capital ("WACC") applicable to Value Group was used as a discount rate which is derived from the cost of equity and the after tax cost of debt in proportion to the long-term target capital structure of the company. A WACC 14.7% was considered appropriate.
- Forecast working capital assumptions forecasted working capital days were considered against historic working capital days achieved.
- Forecast capital expenditure requirements forecasted capital expenditure requirements were considered against historic capital expenditure requirements.

External:

- Stability of the economy and other macroeconomic factors. This included an analysis of publically available information in respect of macroeconomic outlook.
- Sensitivity analyses on the long-term inflation rate assumed and assessed the impact thereof on the valuation. A sustainable growth rate in line with inflation was assumed in determining the perpetuity value. A long-term inflation rate 4.2% was considered appropriate.

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 and assessed the impact thereof on the valuation.
- An analysis and review of the forecast profit margins. This included a sensitivity analysis performed on the forecast EBITDA margins and assessed the impact thereof on the valuation.
- The indicative fair value of Value Group's ordinary shares ranges between R5.62 and R6.51 with a core fair value of R6.02. The consideration of R6.75 per share is greater than the fair value of Value Group's ordinary shares, thus the Transaction is considered fair to the shareholders of Value Group.

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 the share exchange. 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 Transaction, and based upon and subject to the aforegoing, we are of the opinion that the Transaction is fair and reasonable to the ordinary shareholders of Value Group in terms of the Companies Act and Takeover Regulations and that the offer is fair to the shareholders of Value Group in terms of the JSE Listings Requirements.

CONSENT

We hereby consent to the inclusion of this opinion and references hereto, in the form and context in which it appears in any required regulatory announcement or document.

Yours faithfully

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

EXTRACTS OF THE CONSOLIDATED AUDITED HISTORICAL FINANCIAL STATEMENTS OF VALUE GROUP

Extracts of the consolidated annual financial statements of Value Group for the three financial years ended 28 February 2018, 28 February 2019 and 29 February 2020 are set out below. Detailed Accounting Policies, Basis of Preparation and notes to the consolidated annual financial statements have been incorporated by reference and are available in the relevant Integrated Annual Reports available in the Investor Relations Section of Value Group's website <u>www.value.co.za</u>. The detailed annual financial statements are also available for inspection as set out in paragraph 27 of the Circular.

The report of historical financial information is the responsibility of the Directors of Value Group.

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ending 28 February

R'000	2020	2019*	2018*
ASSETS			
Non-current assets	64 04	1 797 546	945 295
Property, vehicles, plant and equipment	993 796	003 23	1 004 903
Right-of-use assets	608 646	758 330	906 223
Intangible assets	13 528	10 981	10 603
Goodwill	16 561	16 561	16 561
Loan receivable	2 636	3 001	575
Equity-accounted investees Deferred tax asset	63 5 811	77 5 365	380 5 050
Current assets	697 777	599 564	553 514
Inventories	107 807	103 457	66 424
Trade and other receivables	321 184	313 110	335 532
Other financial assets	5 878	6 140	8 765
Current tax receivable	335	913	3 176
Cash and cash equivalents	262 573	175 944	139 617
Non-current assets held for sale	201	797	116
Total assets	2 339 019	2 397 907	2 498 925
EQUITY AND LIABILITIES			
Equity	798 167	740 980	713 591
Share capital and premium	10 826	10 826	10 839
Treasury shares	(103 629)	(91 433)	(113 408)
Foreign currency translation reserve	-	_	104
Share-based payment reserve	25 282	22 108	20 146
Retained income	865 688	799 479	799 240
Equity attributable to owners of the Company	798 167	740 980	716 921
Non-controlling interests	-	-	(3 330)
Non-current liabilities	905 788	08 924	2 9 698
Interest-bearing borrowings	135 963	125 475	108 601
Lease liabilities	656 513	837 318	981 652
Deferred tax liability	113 312	9 3	129 445
Current liabilities	635 064	575 003	565 636
Trade and other payables	391 653	372 000	379 486
Interest-bearing borrowings	52 770	57 219	69 227
Lease liabilities	189 444	144 334	112 555
Other financial liabilities	-	_	3 299
Current tax payable	377	757	464
Shareholders for dividend	820	693	605
Total equity and liabilities	2 339 019	2 397 907	2 498 925

*Restated for the effects of IFRS 16.

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ending 28 February

R'000	2020	2019*	2018
Revenue	2 879 500	2 779 675	2 513 241
Cost of sales	(93 720)	(897 229)	(726 2 6)
Gross profit	947 780	882 446	787 025
Other income	32 574	45 668	28 364
Movement in trade receivables loss allowance	(3 806)	2 412	-
Operating expenses	(718 847)	(675 242)	(659 951)
Operating profit before once-off BBBEE equity			
transaction costs	257 701	255 284	155 438
Once-off BBBEE equity transaction costs	-		(19 003)
Operating profit	257 701	255 284	136 435
Share of loss of equity-accounted investees	(14)	(13)	23
Fair value adjustment	(1 024)	(2 625)	331
Finance income	7 353	4 293	3 386
Finance costs	(95 845)	(109 226)	(17 553)
Net profit before taxation	168 171	147 713	122 622
Taxation	(40 805)	(38 047)	(40 648)
Net profit for the year	127 366	109 666	81 974
Other comprehensive income to be reclassified to			
profit or loss in subsequent periods			
Foreign currency translation differences	-	(104)	(75)
Total comprehensive income for the year	127 366	109 562	81 899
Net profit for the year attributable to:			
Owners of the Company	127 366	106 336	83 406
Non-controlling interests	-	3 330	(432)
	127 366	109 666	81 974
Total comprehensive income for the year			
attributable to:			
Owners of the Company	127 366	106 232	83 331
Non-controlling interests	-	3 330	(432)
	127 366	109 562	81 899
Earnings per ordinary share (cents)			
– basic	89.5	73.2	54.8
 diluted basic 	84,I	70.6	54.8
Headline earnings per ordinary share			
– headline	92.2	75.6	58.7
 diluted headline 	86.7	72.9	58.7
*Restated for the effects of IFRS 16.			

55

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Year ending 28 February

	Share capital and share	Treasury	Foreign currency translation	Share-based payment	Retained	Total attributable to equity holders of	Non- controlling	Total
R'000	premium		reserve	reserve	income	the parent	interests	equity
Balance at 28 February 2018 - Effect of IFRS 16 restatement	I0 839 	(113 408)	104	20 146	934 283 (135 043)	851 964 (135 043)	(3 330)	848 634 (135 043)
Restated balance at								
28 February 2018	10 839	· .	104	20 146	799 240	716 921	(3 330)	713 591
Iransaction with owners	(13)	5/6 12		1	(106 097)	(८६। ४४)	1	(34 13)
 Dividends paid 	Ι	Ι	Ι	Ι	(50 934)	(50 934)	Ι	(50 934)
 Treasury shares cancelled 	(13)	55 407	Ι	Ι	(55 394)	Ι	Ι	I
 Treasury shares acquired 	Ι	(34 314)	Ι	Ι	Ι	(34 314)	I	(34 314)
- Treasury shares sold	Ι	882	Ι	Ι	231	1 113	Ι	3
Total comprehensive income								
for the year	Ι	Ι	(104)	1 962	106 336	108 194	3 330	111 524
 Net profit for the year 	I	I	Ι	Ι	106 336	106 336	3 330	109 666
 Share-based payment expense 	Ι	Ι	Ι	1 962	Ι	1 962	Ι	1 962
 Foreign currency translation differences 	I	Ι	(104)	Ι	I	(104)	Ι	(104)
-								
Balance at 28 February 2019	10 826	(91 433)	I	22 108	799 479	740 980	1	740 980
Transaction with owners	-	(12 196)		-	(61 175)	(73 353)		(73 353)
 Dividends paid 	I	I	Ι	I	(61 291)	(61 291)	I	(61 291)
 Treasury shares acquired 	Ι	(13 175)	I	I	I	(13 175)	I	(13 175)
 Treasury shares sold 	I	979	I	I	134	3	I	3
Total comprehensive income				VLI C	772 LU	130 540		130 540
		I	I		000 171		I	
 Net profit for the year 	I	I	I	I	127 366	127 366	I	127 366
 Share—based payment expense 	I	Ι	Ι	3 174	Ι	3 174	I	3 174
Balance at 29 February 2020	10 826	(103 629)	1	25 282	865 688	798 167	I	798 167

	Share capital		Foreign currency	Share-based		Total attributable to equity	Non-	
R'000	and share premium	Treasury shares	translation reserve	payment reserve	Retained income	holders of the parent	controlling interests	Total equity
Balance at 28 February 2016	10 839	(97 021)	371	27 184	800 794	742 167	(900 1)	741 161
Transaction with owners	I	(962)	Ι	Ι	(27 790)	(28 586)	I	(28 586)
 Dividends paid 		1		1	(27 790)	(27 790)	1	(27 790)
 Treasury shares acquired 	I	(796)	I	I	`	(796)	I	(796)
Total comprehensive income								
for the year			(192)	3 608	88 341	91 757	(4 734)	87 023
 Net profit for the year 	Ι	I	Ι	I	88 341	88 341	(4 734)	83 607
 Share-based payment expense 	Ι	Ι	Ι	3 608	Ι	3 608	Ι	3 608
 Foreign currency translation differences 	I	I	(192)	Ι	I	(192)	I	(192)
Ralance at 28 Fehruary 2017	10 839	(97 817)	179	30 797	861 345	805 338	(5 740)	799 598
Transaction with owners		(15 591)			(38 863)	(54 454)		(54 454)
- Dividends paid	I	I	I	I	(39 573)	(39 573)	I	(39 573)
 Treasury shares acquired 	Ι	(16 481)	Ι	Ι		(16 481)	I	(16 481)
- Treasury shares sold	I	890	I	Ι	710	1 600	I	1 600
Total comprehensive income								
for the year	I	Ι	(75)	21 591	83 406	104 922	(1 432)	103 490
 Net profit for the year 	I	I	I	I	83 406	83 406	(1 432)	81 974
 Share-based payment expense 	I	Ι	I	21 591	Ι	21 591	I	21 591
 Foreign currency translation differences 	I	I	(75)		I	(75)	I	(75)
L Transfer between reserves	1	I		(32 237)	32 237		I	
Non-controlling interest acquired				~			C70 C	
UY UWHIELS	I	I	I	I	(710 C)	(710 C)	710 C	I
Balance at 29 February 2018	10 839	(113 408)	104	20 146	934 283	851 964	(3 330)	848 634

D. CONSOLIDATED STATEMENT OF CASH FLOW

Year ending 28 February

R'000	2020	2019*	2018
Cash flows from operating activities	402 220	334 709	194 694
Cash generated by operations	598 748	536 608	291 323
Finance income	7 353	4 293	3 386
Finance costs	(95 845)	(109 226)	(17 553)
Taxation paid	(46 872)	(46 120)	(42 972)
Dividends paid	(61 164)	(50 846)	(39 490)
Cash flows from investing activities	(83 883)	(56 990)	(88 928)
Purchase of property, vehicles, plant and equipment	(80 150)	(51 247)	(88 854)
Purchase of intangible assets	(7 728)	(5 072)	(4 851)
Proceeds on disposal of property, vehicles, plant and			
equipment	982	2 091	2 883
Proceeds on disposal of non-current assets held for sale	3 013	1 834	11 498
Payment of vendor – Key Distributors acquisition	-	(3 268)	(9 804)
Dividend received from equity accounted investees	-	290	—
(Increase)/decrease in Ioan receivable	-	(6 8)	200
Cash flow from financing activities	(231 708)	(241 392)	(92 438)
Repayment of loans	(71 461)	(84 739)	(77 557)
Repayment of lease liabilities	(148 185)	(123 452)	· · ·
Treasury shares acquired	(13 175)	(34 3 4)	(16 481)
Proceeds on disposal of treasury shares	1 113	1 113	1 600
Net change in cash and cash equivalents	86 629	36 327	13 328
Translation difference	_	_	(164)
Cash and cash equivalents at beginning of the year	175 944	139 617	126 453
Cash and cash equivalents at end of the year	262 573	175 944	139 617

*Restated for the effects of IFRS 16.

EXTRACTS OF THE UNAUDITED CONSOLIDATED INTERIM RESULTS OF VALUE GROUP FOR THE SIX MONTHS ENDED 31 AUGUST 2020

Extracts of the consolidated interim results of Value Group for the six months ended 31 August 2020 are set out below. Commentary and notes to the consolidated interim results have been incorporated by reference and the full interim results booklet is available in the Investor Relations Section of Value Group's website <u>www.value.co.za</u>.

The report of historical financial information is the responsibility of the Directors of Value Group.

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION Six months ended 31 August 2020

R000's	% change	Unaudited August 2020	Unaudited August 2019	Audited February 2020
Non-current assets		I 635 295	1 751 658	64 04
Property, vehicles, plant and equipment Right-of-use assets Intangible assets Goodwill Loan receivable Equity-accounted investees Deferred tax asset		000 616 591 242 16 296 16 561 2 826 62 7 692	035 636 678 593 4 0 6 56 _ 74 6 693	993 796 608 646 13 528 16 561 2 636 63 5 811
Current assets		746 137	651 379	697 777
Inventories Trade and other receivables Other financial assets Loan receivable Current tax receivable Cash and cash equivalents		114 615 351 787 5 708 - 4 690 269 337	114 708 370 897 5 037 3 209 3 365 154 163	107 807 321 184 5 878 - 335 262 573
Non-current assets held for sale	L	40	3 010	201
Total assets		2 382 833	2 406 047	2 339 019
Equity Non-current liabilities		804 324 892 288	739 945 I 050 354	798 167 905 788
Interest-bearing borrowings Lease liability Deferred tax liability		113 747 672 445 106 096	165 766 770 990 113 598	135 963 656 513 113 312
Current liabilities	L	686 221	615 748	635 064
Trade and other payables Current portion of interest-bearing borrowings Current portion of lease liability Other financial liabilities Current tax payable Shareholders for dividend		446 278 80 420 156 773 220 1 635 895	410 123 64 751 138 614 - 1 486 774	391 653 52 770 189 444 377 820
Total equity and liabilities		2 382 833	2 406 047	2 339 019
Net asset value per share (cents)	11%	579,6	521,1	564,6

R000's	% change	Unaudited August 2020	Unaudited August 2019	Audited February 2020
Revenue	(3%)	359 599	404 037	2 879 500
Cost of sales		(9 884)	(936 001)	(1 931 720)
Gross profit		447 715	468 036	947 780
Other income		8 201	101	32 574
Operating expenses		(357 343)	(372 935)	(722 653)
Operating profit	(7%)	98 573	106 202	257 701
Share of loss of equity-accounted investees		(I)	(3)	(14)
Fair value adjustment		593	(1 399)	(1 024)
Finance income		4 357	3 391	7 353
Finance costs		(42 011)	(51 260)	(95 845)
Net profit before taxation		61 511	56 931	168 171
Taxation		(12 717)	(12 954)	(40 805)
Net profit for the period	11%	48 794	43 977	127 366
Earnings per share (cents) Basic Headline Diluted basic	3% 1% 8%	34,9 35,4	30,8 31,8 28,8	89,5 92,2
Diluted headline	16%	34,0 34,5	20,0 29,7	84,1 86,7

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Six months ended 31 August 2020

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Six months ended 31 August 2020

R000's	Unaudited	Unaudited	Audited
	August	August	February
	2020	2019	2020
Ordinary share capital and premium	10 816	10 816	10 816
A ordinary shares	10	10	10
Treasury shares	(114 557)	(99 484)	(103 629)
Balance at beginning of period	(103 629)	(91 433)	(91 433)
Treasury shares acquired	(10 928)	(8 051)	(13 175)
Treasury shares sold	–	—	979
Share-based payment reserve	26 878	23 766	25 282
Balance at beginning of period	25 282	22 08	22 108
Share-based payment expense	596	658	3 174
Retained income	881 177	804 837	865 688
Balance at beginning of period	865 688	799 479	799 479
Dividends paid	(33 305)	(38 619)	(61 291)
Profit on disposal of treasury shares	-	–	134
Net profit for the period	48 794	43 977	127 366
Equity	804 324	739 945	798 167

D. CONSOLIDATED STATEMENT OF CASH FLOWS Six months ended 31 August 2020

R000's	% change	Unaudited August 2020	Unaudited August 2019	Audited February 2020
Cash flows from operating activities		174 439	132 858	402 220
Cash generated by operations Finance income Finance costs Taxation paid	12%	270 234 4 357 (42 011) (24 911)	240 803 3 391 (51 260) (21 538)	598 748 7 353 (95 845) (46 872)
Cash available from operating activities Dividends paid	-	207 669 (33 230)	171 396 (38 538)	463 384 (61 164)
Cash flows from investing activities	_	(57 675)	(45 768)	(83 883)
Purchase of property, vehicles, plant and equipment Purchase of intangible assets Proceeds on disposal of property, vehicles, plant and equipment Proceeds on disposal of non-current assets held for sale		(53 233) (5 815) 616 757	(41 852) (5 625) 911 798	(80 150) (7 728) 982 3 013
Cash flows from financing activities	L	(110 000)	(108 871)	(231 708)
Repayment of loans Repayment of lease liability Treasury shares acquired Proceeds on disposal of treasury shares		(23 842) (75 230) (10 928) –	(28 772) (72 048) (8 051) –	(7 46) (48 85) (3 75) 3
Net change in cash and cash equivalents Cash and cash equivalents at beginning of period	L	6 764 262 573	(21 781) 175 944	86 629 175 944
Cash and cash equivalents at end of period		269 337	154 163	262 573

SHARE TRADING STATISTICS

The daily closing share price, highest share price, lowest share price and volumes traded for the 30 trading days preceding the Last Practicable Date and for each month over the 12 months prior to the Last Practicable Date, are set out below.

	Closing (cents)	High (cents)	Low (cents)	Volume	Value (R)
Maratha an da di	(cente)	(cents)	(cento)	Volume	(1)
Month ended:	421	(00	410	400 220	2 071 247
31 March 2020	431 420	609 489	419	489,238	2,071,246
30 April 2020			420	32,733	140,205
31 May 2021	450	473	400	1,230,551	5,111,692
30 June 2020	460	475	400	1,514,695	6,336,983
31 July 2020	460	480	450	88,043	413,443
31 August 2020	480	520	460	116,624	554,178
30 September 2020	460	486	460	53,284	252,026
31 October 2021	440	470	430	88,853	400,594
30 November 2020	460	460	430	130,835	588,391
31 December 2020	460	500	435	177,684	828,068
31 January 2021	450	489	420	464,508	2,090,487
28 February 2021	650	653	445	978,586	5,927,796
Day ended:					
04 February 2021	455	_	_	_	_
05 February 2021	446	446	446	3,200	14,272
08 February 2021	446	—	—	—	—
09 February 2021	450	455	447	2,759	12,387
10 February 2021	460	475	460	21,597	101,993
February 202	460	—	—	—	—
12 February 2021	460	—	—	—	—
15 February 2021	474	474	455	26,837	122,187
16 February 2021	456	474	456	5,025	23,617
17 February 2021	456	_	_	_	-
18 February 2021	650	653	470	250,055	1,462,282
19 February 2021	649	649	625	18,374	115,698
22 February 2021	635	650	631	39,734	251,639
23 February 2021	620	650	615	87,651	546,465
24 February 2021	630	630	617	45,182	281,534
25 February 2021	630	635	625	6,814	42,814
26 February 2021	650	650	635	421,928	2,729,883
01 March 2021	650	653	645	152,073	988,499
02 March 2021	664	664	646	38,913	253,775
03 March 2021	654	654	653	107,496	702,568
04 March 2021	655	655	643	51,807	337,177
05 March 2021	655	656	655	27,501	180,155
08 March 2021	656	656	656	151,799	995,801
09 March 2021	655	659	655	90,532	592,992
10 March 2021	660	660	660	1,000	6,600
11 March 2021	656	656	655	73,698	483,231
12 March 2021	656	656	656	3,000	19,680
15 March 2021	657	657	657	20,230	32,9
16 March 2021	657	657	657	241	1,583
17 March 2021	657	657	657	266,666	1,505

EXCHANGE CONTROL REGULATIONS

The settlement of the Offer Consideration for both Certificated Shareholders and Dematerialised Shareholders will be subject to the Exchange Control Regulations.

The following is a summary of the relevant Exchange Control Regulations. Shareholders who are not resident in South Africa, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Offer Consideration, including obtaining any required governmental or other consents, observing any other required formalities and paying any issue, transfer or other taxes due in that jurisdiction. If any Shareholder is in any doubt, he should consult his professional advisors without delay.

L Residents of the Common Monetary Area

In the case of:

- 1.1 Certificated Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Offer Consideration will be paid by way of EFT in accordance with paragraphs 5.4 and 6.7 of the Circular; and
- 1.2 Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, the Offer Consideration will be credited directly to the accounts nominated for the relevant Shareholders by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

2. Emigrants from the Common Monetary Area

In the case of Shareholders who are emigrants from the Common Monetary Area and whose Shares form part of their remaining assets, the Offer Consideration will:

- 2.1 in the case of Certificated Shareholders whose Documents of Title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the Authorised Dealer in foreign exchange in South Africa controlling such Shareholders' remaining assets in terms of the Exchange Control Regulations. The attached Form of Surrender and Transfer (*blue*) makes provision for details of the Authorised Dealer concerned to be given; and
- 2.2 in the case of Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSDP or Broker, which shall arrange for same to be credited directly to the capital account of the Shareholder concerned with their Authorised Dealer in foreign exchange in South Africa.

3. All other non-residents of the Common Monetary Area

The Offer Consideration accruing to non-resident Shareholders whose registered addresses are outside the Common Monetary Area and emigrants from the Common Monetary Area who acquired the Shares utilising funds from abroad, will:

- 3.1 in the case of Certificated Shareholders whose Documents of Title have been restrictively endorsed in terms of the Exchange Control Regulations, be paid by way of EFT in accordance with paragraph 5.4 of the Circular. The attached Form of Surrender and Transfer (*blue*) makes provision for a substitute address or bank details; or
- 3.2 in the case of Dematerialised Shareholders, be paid to their duly appointed CSDP or Broker and credited to such shareholders in terms of the provisions of your Custody Agreement with their CSDP or Broker.

4. Information not provided

If the information regarding Authorised Dealers is not given or the instructions are not given and no bank account or address details for the Shareholder in question appears in the register, the Offer Consideration will be held in trust by Value Group or the Transfer Secretaries on behalf of Value Group.

WORDING OF SECTION 114, SECTION 115, SECTION 164 AND SECTION 124 OF THE COMPANIES ACT

"Section 114 : Proposals for Scheme of Arrangement

- (I) Unless it is in liquidation or in the course of business rescue proceedings in terms of Chapter 6, the board of a company may propose and, subject to subsection (4) and approval in terms of this Part, implement any arrangement between the company and holders of any class of its securities by way of, among other things:
 - (a) a consolidation of securities of different classes;
 - (b) a division of securities into different classes;
 - (c) an expropriation of securities from the holders;
 - (d) exchanging any of its securities for other securities;
 - (e) a re-acquisition by the company of its securities; or
 - (f) a combination of the methods contemplated in this subsection.
- (2) The company must retain an independent expert, who meets the following requirements, to compile a report as required by subsection (3):
 - (a) The person to be retained must be:
 - (i) qualified, and have the competence and experience necessary to:
 - (aa) understand the type of arrangement proposed;
 - (bb) evaluate the consequences of the arrangement; and
 - (cc) assess the effect of the arrangement on the value of securities and on the rights and interests of a holder of any securities, or a creditor of the company; and
 - (ii) able to express opinions, exercise judgement and make decisions impartially.
 - (b) The person to be retained must not:
 - have any other relationship with the company or with a proponent of the arrangement, such as would lead a reasonable and informed third party to conclude that the integrity, impartiality or objectivity of that person is compromised by that relationship;
 - (ii) have had any relationship contemplated in subparagraph (i) within the immediately preceding two years; or
 - (iii) be related to a person who has or has had a relationship contemplated in subparagraph (i) or (ii).
- (3) The person retained in terms of subsection (2) must prepare a report to the board, and cause it to be distributed to all holders of the company's securities, concerning the proposed arrangement, which must, at a minimum:
 - (a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement;
 - (b) identify every type and class of holders of the company's securities affected by the proposed arrangement;
 - (c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);
 - (d) evaluate any material adverse effects of the proposed arrangement against:
 - (i) the compensation that any of those persons will receive in terms of that arrangement; and
 - (ii) any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the company;
 - (e) state any material interest of any director of the company or trustee for security holders;
 - (f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e); and
 - (g) include a copy of sections 115 and 164.
- (4) Section 48 applies to a proposed arrangement contemplated in this section to the extent that the arrangement would result in any re-acquisition by a company of any of its previously issued securities.

Section 115 : Required approval for transactions contemplated in Part A

- (I) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
 - (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).

- (2) A proposed transaction contemplated in subsection (I) must be approved:
 - (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% (twenty five) of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
 - (a) the resolution was opposed by at least 15% (fifteen percent) of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.

- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
 - (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Section 164: Dissenting shareholders appraisal rights

- (I) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:

- (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
- (b) the company has adopted the resolution contemplated in subsection (2); and
- (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
 - (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
 - (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
 - (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

- (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
 - (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
 - (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection
 (13) (a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case—
 - (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months:
 - (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
 - (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent---
 - (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

Section 124: Compulsory acquisitions and squeeze out

- (I) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
 - (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
 - (i) that the offer has been accepted to that extent; and
 - (ii) that the offeror desires to acquire all remaining securities of that class; and
 - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1)(a), a person may apply to a court for an order:
 - (a) that the offeror is not entitled to acquire the applicant's securities of that class; or
 - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
 - (a) the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection (1)(a); and
 - (b) the court may make the order applied for, if:
 - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
 - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
 - (iii) the consideration offered is fair and reasonable; and
 - (iv) the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class:
 - (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;

- (b) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person's securities of the class concerned; and
- (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4)(b):
 - (a) six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
 - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of those securities by any person appointed by the offeror; and
 - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
 - (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a securities warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest-bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
 - (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
 - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7)(a) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer."
DETAILS OF DEALINGS IN SHARES BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT

To the best of the knowledge of Value Group, based on details that have been provided to the Company and its Advisors as at the Last Practicable Date, the providers of Irrevocable Undertakings and/or Letters of Support had no dealings in Value Group Ordinary Shares during the six-month period prior to the Last Practicable Date, other than as set out below:

				Price per	
Name of Shoushaldou	Transaction	Turne	Ma harra a	share	Value
Name of Shareholder	Date	Туре	Volume	(cents)	(R)
Foord Asset Management	03 November 2020	Disposal	4,616	434	20,003
Foord Asset Management	04 November 2020	Disposal	10,488	440	46,062
Foord Asset Management	05 November 2020	Disposal	1,061	455	4,815
Foord Asset Management	17 November 2020	Disposal	5,618	455	25,538
Foord Asset Management	23 November 2020	Disposal	1,427	455	6,480
Foord Asset Management	25 November 2020	Disposal	5,000	459	22,927
Foord Asset Management	30 November 2020	Disposal	6,790	460	31,206
Foord Asset Management	03 December 2020	Disposal	230	460	1,048
Foord Asset Management	10 December 2020	Disposal	9,364	481	44,975
Foord Asset Management	14 December 2020	Disposal	10,156	476	48,264
Foord Asset Management	18 December 2020	Disposal	30,000	475	142,408
Foord Asset Management	22 December 2020	Disposal	28,400	450	127,717
Foord Asset Management	23 December 2020	Disposal	22,584	450	101,598
Foord Asset Management	28 December 2020	Disposal	2,174	460	9,985
Foord Asset Management	30 December 2020	Disposal	5,000	460	22,977
Foord Asset Management	04 January 2021	Disposal	19,996	452	90,330
Foord Asset Management	05 January 2021	Disposal	29,406	450	132,344
Foord Asset Management	06 January 2021	Disposal	14,062	450	63,233
Foord Asset Management	07 January 2021	Disposal	42,351	450	190,491
Foord Asset Management	08 January 2021	Disposal	36,299	451	163,534
Foord Asset Management	II January 2021	Disposal	30,229	450	135,942
Foord Asset Management	12 January 2021	Disposal	154,316	450	693,975
Foord Asset Management	22 January 2021	Disposal	21,087	450	94,827
Foord Asset Management	01 February 2021	Disposal	4,000	450	17,980
Foord Asset Management	02 February 2021	Disposal	539	450	2,415
Foord Asset Management	03 February 2021	Disposal	16,855	452	76,089



(Incorporated in the Republic of South Africa) (Registration number 1997/002203/06) Share Code: VLE ISIN: ZAE000016507

("Value Group" or "the Company")

NOTICE OF GENERAL MEETING

Shareholders are referred to Part I and Part II of the ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE SCHEME on page 6 of the Circular for instructions in respect of electronic participation in the General Meeting

If you are in any doubt as to what action you should take in respect of the General Meeting please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

The attention of Shareholders is drawn to Annexure 6 of the circular, which sets out the wording of sections 114, 115 and 164 of the Companies Act.

All terms used in this Notice of General Meeting shall, unless the context otherwise requires or they are otherwise defined herein, have the meanings attributed to them in the Circular to which this Notice is attached.

Shareholders are reminded that:

- a Shareholder entitled to participate by way of electronic communication and vote at the General Meeting is entitled to appoint one or more proxies to participate, speak and vote in its stead at the General Meeting in the place of that Shareholder, by completing the attached Form of Proxy (*yellow*);
- a proxy need not also be a Shareholder; and
- in terms of section 63(1) of the Companies Act, any person participating in a meeting of Shareholders must present reasonably satisfactory identification to the chairperson, and the chairperson must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.

Notice is hereby given that a meeting of the Shareholders, recorded as such at the Scheme Voting Record Date of Friday, 21 May 2021, will be held entirely by way of electronic communication at 11:00 on Thursday, 27 May 2021, for the purpose of considering, and, if deemed fit, passing, with or without modification, the Resolutions set out hereafter.

SPECIAL RESOLUTION I:

APPROVAL OF THE SCHEME RESOLUTION IN ACCORDANCE WITH SECTIONS 48(8)(a), 48(8)(b), 114(1)(e) AND 115(2)(a) OF THE COMPANIES ACT

"**Resolved that** the Scheme in terms of section 114(1) of the Companies Act, as more fully set out in the Circular and as may be amended as contemplated in the Circular, proposed by the Board between Value Group and the Shareholders other than the Excluded Shareholders, in terms of which, *inter alia*, Value Group will, subject to the fulfilment or waiver of the Scheme Conditions Precedent (save for any Scheme Condition Precedent relating to the passing of this Special Resolution), and on the Operative Date, repurchase all of the Scheme Shares from the Scheme Participants and each Scheme Participant will receive the Scheme Consideration, pursuant to which the Ordinary Shares will be delisted, in accordance with paragraph 1.17(b) of the Listings Requirements from the Main Board of the JSE, be and is hereby approved as a Special Resolution in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act provided that the Scheme will terminate and that this Special Resolution number 1 will be treated as a nullity with immediate effect upon the Board's determination that any or all of the Scheme Conditions Precedent have not been fulfilled or waived, to the extent possible, on or before the relevant date for fulfilment or waiver(where possible)."

Explanatory note

In accordance with sections 48(8)(a) and 115(2)(a) of the Companies Act, the Scheme must be approved by a Special Resolution if any Shares are to be acquired by Value Group from a director or prescribed officer of Value Group or a person related to a director or prescribed officer of Value Group. In addition, the Scheme will result in Value Group acquiring more than 5% of Shares in issue as at the Scheme Consideration Record Date and thus the Scheme, as required by section 48(8)(b) of the Companies Act, is subject to the requirements of sections 114 and 115 of the Companies Act. Accordingly, the reason for this Special Resolution is to approve the Scheme in terms of sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act.

Voting requirement

In order for Special Resolution number 1 to be passed the support of at least 75% of all of the voting rights exercised on the resolution by the Shareholders who are eligible to vote, present (through electronic participation) or represented by proxy at the General Meeting, excluding in accordance with section 115(4) of the Companies Act, the Remaining Shareholders, or a person acting in concert with them (who are not allowed to vote on this Special Resolution number 1). The Scheme will terminate and Special Resolution number 1 will be treated as a nullity with immediate effect upon the Board's determination that any or all of the Scheme Conditions Precedent have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment or waiver (where possible).

SPECIAL RESOLUTION NUMBER 2:

APPROVAL OF THE REPURCHASE OF SHARES IN TERMS OF SECTION 48(8) OF THE COMPANIES ACT IF THE SCHEME TERMINATES OR LAPSES

"**Resolved that**, subject to, and conditional upon the passing of Special Resolution number 3, the Repurchase in terms of which Value Group will, subject to the fulfilment or waiver of the General Offer Conditions (save for any General Offer Condition relating to the passing of this Special Resolution number 2), and on and from the General Offer Payment Date, repurchase up to 100% of the General Offer Shares, in exchange for the General Offer Consideration, be and is hereby approved as a Special Resolution in terms of section 48(8) of the Companies Act."

Explanatory note

Special Resolution number 2 is required to approve the Repurchase by the requisite percentage of voting rights pursuant to which Value Group will repurchase up to 100% of the General Offer Shares from the General Offer Participants in terms of section 48(8) of the Companies Act.

Voting requirement

In order for Special Resolution number 2 to be passed, the support of at least 75% of all of the voting rights exercised on the resolution by the Shareholders who are eligible to vote, present (through electronic participation) or represented by proxy at the General Meeting, excluding in accordance with section 115(4) of the Companies Act, the Remaining Shareholders, or a person acting in concert with them (who are not allowed to vote on this Special Resolution number 2).

SPECIAL RESOLUTION NUMBER 3:

APPROVAL OF THE SPECIFIC REPURCHASE OF SHARES IN TERMS OF PARAGRAPH 5.69(B) OF THE LISTINGS REQUIREMENTS IF THE SCHEME TERMINATES OR LAPSES

"**Resolved that**, subject to, and conditional upon the passing of Special Resolution number 2, the Specific Repurchase in terms of which Value Group will, subject to the fulfilment or waiver of the General Offer Conditions (save for any General Offer Condition relating to the passing of this Special Resolution number 3), and on the Operative Date or on and from the General Offer Payment Date, as may be applicable, repurchase up to 100% of the General Offer Shares, in exchange for the General Offer Consideration, be and is hereby approved as a Special Resolution in terms of paragraph 5.69(b) of the Listings Requirements."

Explanatory note

Special Resolution number 3 is required to approve the Specific Repurchase by the requisite percentage of voting rights pursuant to which Value Group will repurchase 100% of the General Offer Shares from the General Offer Participants (or if applicable, up to 100% of the Scheme Shares from the Scheme Participants in terms of paragraph 5.69(b) of the Listings Requirements).

Voting requirement

In order for Special Resolution number 3 to be passed, the support of at least 75% of all of the voting rights exercised on the resolution by the Shareholders who are eligible to vote, present (through electronic participation) or represented by proxy at the General Meeting, excluding any Shareholders and their associates that are participating in the Specific Repurchase (as contemplated in paragraph 5.69(b) of the Listings Requirements). For this purpose, Shareholders who have provided irrevocable undertakings in respect of the Specific Repurchase as detailed in paragraph 16 above, and their respective associates (as defined in the Listings Requirements), will not be entitled to vote on this Special Resolution number 3. The Remaining Shareholders will, however, be able to vote on Special Resolution number 3.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL FOR THE DELISTING IN TERMS OF PARAGRAPHS 1.15 AND 1.16 OF THE LISTINGS REQUIREMENTS

"**Resolved that**, subject to, and conditional upon the passing of Special Resolution number 2 and Special Resolution number 3 and the implementation of the General Offer in accordance with its terms, the listing of all Ordinary Shares on the JSE be terminated with effect from Tuesday, 6 July 2021, or such other date as the JSE may determine."

Explanatory note

Ordinary Resolution number 1 is required to authorise Value Group to make application to the JSE to delist the Ordinary Shares from the Main Board of the JSE in terms of paragraphs 1.15 and 1.16 of the Listings Requirements, in the event that the General Offer becomes unconditional and is implemented.

Voting requirement

In order for Ordinary Resolution number I to be passed, the support of more than 50% of all of the voting rights exercised on the resolution by the Shareholders who are eligible to vote present (through electronic participation) or represented by proxy at the General Meeting, excluding any controlling shareholder, its associates and any party acting in concert. Accordingly, the Remaining Shareholders are not allowed to vote on this Ordinary Resolution number I.

ORDINARY RESOLUTION NUMBER 2 – AUTHORISATION OF DIRECTORS

"**Resolved that** any of the Directors be and are hereby authorised to do all things and sign all documents required to give effect to and implement Special Resolution number I, Special Resolution number 2, Special Resolution number 3 and Ordinary Resolution number I set out above."

Voting requirement

In order for Ordinary Resolution number 2 to be passed the support of more than 50% of all of the voting rights exercised on the resolution by the Shareholders who are eligible to vote present (through electronic participation) or represented by proxy at the General Meeting. In the interests of good corporate governance, the Remaining Shareholders will not vote on this Ordinary Resolution number 2.

QUORUM

The General Meeting may not begin until sufficient persons are present (through electronic participation) or represented by proxy at the General Meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting. A matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present (through electronic participation) at the meeting (or represented by proxy) to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Shareholders of Value Group present (through electronic participation) or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting on matters to be decided by the Shareholders.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before the Scheme Resolution and/or the Repurchase Resolution as set out in this Notice of General Meeting is voted on, a Shareholder may give Value Group a written notice objecting to the Scheme Resolution and/or the Repurchase Resolution.

A Shareholder may demand that Value Group pay the Shareholder the fair value for all of the Shares held by that person if:

- the Shareholder has sent Value Group a notice of objection in terms of section 164(3) of the Companies Act;
- Value Group has adopted Special Resolution number 1 or Special Resolution number 2 and the Scheme or General Offer becomes wholly unconditional and is implemented; and
- such Shareholder voted against Special Resolution number 1 or Special Resolution number 2 and has complied with all of the procedural requirements of section 164 of the Companies Act.

The right to receive such fair value is subject to the provisions of the Circular and the Companies Act, including section 164(9).

Shareholders are referred to paragraph 5.8 of the Circular for more information regarding Appraisal Rights. A copy of section 164 of the Companies Act is set out in Annexure 6 to the Circular.

By order of the board

Crisna Erasmus

Group Company Secretary FluidRock Co Sec Proprietary Limited

Johannesburg 25 March 2021

Registered office

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

Transfer Secretaries

Computershare Investor Services (Pty) Limited 2nd Floor, Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg 2196 (Private Bag X9000, Saxonwold 2132)



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa) (Registration number: 1997/002203/06) JSE Share Code: VLE ISIN: ZAE000016507

FORM OF PROXY

This Form of Proxy is for use by Certificated and Dematerialised Shareholders whose shares are registered in their Own Names on Friday, 21 May 2021, being the Scheme Voting Record Date for the General Meeting (see note 1) to be held and conducted entirely by electronic communication at 11:00 on Thursday, 27 May 2021 (see note 2).

For instructions on the use of this Form of Proxy and a summary of the rights of the Shareholders and the proxy, please see the instructions and notes at the end of this Form of Proxy.

I/We (full names in **BLOCK LETTERS**)

Telephone number	Cell phone number	
Email address		
being a Shareholder/s and being th hereby appoint:	ne registered owner/s of	Ordinary Shares (see note 3),
l.		or failing him/her
2.		or failing him/her

the chairman of the General Meeting (see note 4) as my/our proxy to participate in, speak and on a poll to vote or abstain from voting on my/our behalf at the General Meeting to be held at 11:00 on Thursday, 27 May 2021 or at any adjournment thereof (see note 5).

I/We desire my/our proxy to vote as follows:

Indicate with a cross how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain at his discretion (see note 6).

	Number of votes cast		
	In favour of*	Against*	Abstain*
Special resolution number I Approval of the Scheme Resolution in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act			
Special resolution number 2 Approval of the Repurchase of Shares in terms of section 48(8) of the Companies Act			
Special resolution number 3 Approval of the Specific Repurchase of Shares in terms of paragraph 5.69(b) of the Listings Requirements			
Ordinary resolution number I Delisting of Shares from the JSE in terms of paragraphs 1.15 and 1.16 of the Listings Requirements			
Ordinary resolution number 2 Authority of Directors			

*One vote per share held by Shareholders recorded in the Register on the Scheme Voting Record Date.

Signed this

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Instructions and notes to proxy form

I. This Form of Proxy is for use by Certificated and Dematerialised Shareholders with Own Name registration whose shares are registered in their Own Names on the Scheme Voting Record Date and who wish to appoint another person to represent them at the General Meeting. If duly authorised, companies and other corporate bodies which are Shareholders having shares registered in their Own Names may appoint a proxy using this Form of Proxy or may appoint a representative in accordance with the last paragraph below.

Other Shareholders should not use this Form of Proxy. All beneficial holders who have Dematerialised their shares through a CSDP or Broker, and do not have their shares registered in their Own Name, must provide the CSDP or Broker with their voting instructions. Alternatively, if they wish to attend the General Meeting by way of electronic communication, they should follow the steps set out in Part I and Part II of the ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE SCHEME on page 6 of the Circular.

- 2. This Form of Proxy must be received at the Transfer Secretaries, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, Republic of South Africa, no later than 11:00 on Tuesday, 25 May 2021. If a shareholder does not wish to deliver this form to that address, it may also be posted at the risk of the Shareholder to Private Bag X9000, Saxonwold, 2132 or sent by email to proxy@computershare.co.za for administrative purposes, provided that any Form of Proxy not lodged with the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairperson of the General Meeting) at any time before the commencement of the General Meeting (or any adjournment or postponement of the General Meeting), with the understanding that such Form of Proxy and identification must be verified and registered before commencement of the General Meeting.
- This Form of Proxy shall apply to all the shares registered in the name of Shareholders at the Scheme Voting Record Date unless a lesser number of shares is inserted.
- 4. A Shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the General Meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on this Form of Proxy and who participates at the General Meeting by way of electronic communication will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this Form of Proxy may delegate the authority given to him in this Form of Proxy by delivering to the Company, in the manner required by these instructions, a further Form of Proxy which has been completed in a manner consistent with the authority given to the proxy.
- Unless revoked, the appointment of a proxy in terms of this Form of Proxy remains valid until the end of the General Meeting even if the General Meeting or part thereof is postponed or adjourned.
- 6. If:
 - 6.1 a Shareholder does not indicate on this Form of Proxy that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - 6.2 the Shareholder subsequently gives contrary instructions in relation to any matter; or
 - 6.3 any additional resolution/s are properly put before the General Meeting; or
 - 6.4 any resolution listed in the Form of Proxy is modified or amended,

the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the Shareholder has provided further written instructions which accompany this Form of Proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.

- If this Form of Proxy is signed by a person ("authorised signatory") on behalf of the Shareholder, whether in terms of a power of attorney or otherwise, then this Form of Proxy will not be effective unless:
 - 7.1 it is accompanied by a certified copy of the authority given by the Shareholder to the authorised signatory; or
 - 7.2 the Company has already received a certified copy of that authority.
- 8. The chairman of the General Meeting may, at his discretion, accept or reject any Form of Proxy or other written appointment of a proxy which is received by the chairman prior to the time when the General Meeting deals with a resolution or matter to which the appointment of the proxy relates, if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the Shareholder appointing the proxy.
- 9. Any alternations made in this Form of Proxy must be initialed by the Shareholder giving this proxy.
- 10. This Form of Proxy is revoked if the Shareholder who granted the proxy:
 - 10.1 gives written notice of such revocation to the Company, so that it is received by the Company by no later than 11:00 on Tuesday, 25 May 2021; or
 - 10.2 appoints another proxy for the General Meeting; or
 - 10.3 attends the General Meeting himself through electronic participation.
- All notices which a Shareholder is entitled to receive in relation to the Company shall continue to be sent to that Shareholder and shall not be sent to the proxy.

- A minor must be assisted by his/her guardian, unless proof of competency to sign has been recorded by the Company.
- 13. If duly authorised, companies and other corporate bodies which are Shareholders having Shares registered in their Own Name may, instead of completing this Form of Proxy, appoint a representative to represent them through electronic participation and exercise all of their rights at the General Meeting by giving written notice of the appointment of that representative. This notice will not be effective at the General Meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the Transfer Secretaries at 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa, no later than 11:00 on Tuesday, 25 May 2021.

Summary of rights established by section 58 of the Companies Act, as required in terms of subsection 58(8)(b)(i)

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



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa) (Registration number: 1997/002203/06) JSE Share Code: VLE ISIN: ZAE000016507

FORM OF SURRENDER AND TRANSFER IN RESPECT OF THE SCHEME

Important notes concerning this Form:

- This Form is only for use in respect of the scheme of arrangement proposed by the Board between Value Group and the Shareholders (the "Scheme") in accordance with the requirements of section 114 of the Companies Act.
- Full details of the Scheme are contained in the Circular to Shareholders, dated Thursday, 25 March 2021 (the "**Circular**"), to which this Form is attached. Accordingly, all terms used in this Form shall, unless the context otherwise requires or they are otherwise defined herein, have the meaning attributed to them in the Circular.
- Scheme Participants will receive the Scheme Consideration.
- A Dissenting Shareholder who subsequently becomes a Scheme Participant after the Scheme Consideration Record Date shall receive the Scheme Consideration.
- This Form is attached for the convenience of Certificated Shareholders who may wish to surrender their Documents of Title prior to the date of the General Meeting to be held entirely by electronic communication on Thursday, 27 May 2021.

HOLDERS OF DEMATERIALISED SHARES MUST NOT COMPLETE THIS FORM.

INSTRUCTIONS:

- I. The surrender of Documents of Title is for use only by Certificated Scheme Participants.
- 2. A separate Form is required for each Certificated Scheme Participant.
- 3. Part A must be completed by all Scheme Participants who return this Form.
- 4. Part B must be completed by all Scheme Participants who are emigrants from South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini (collectively, the "Common Monetary Area").
- 5. If this Form is returned with the relevant Documents of Title, it will be treated as a conditional surrender which is made subject to the Scheme becoming operative. In the event of the Scheme not becoming operative for any reason whatsoever, Computershare Investor Services Proprietary Limited will, by no later than five Business Days after the date upon which it becomes known that the Scheme will not be operative, return the Documents of Title to the Scheme Participants concerned, by registered post, at the risk of such Scheme Participants.
- 6. Persons who have acquired Shares after the date of the issue of the Circular to which this Form is attached, may obtain copies of the Form and the Circular from Computershare Investor Services (Pty) Ltd, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196.
- 7. The Scheme Consideration will not be transferred to Certificated Scheme Participants' nominated bank account unless and until Documents of Title in respect of the relevant Scheme Shares have been surrendered to Computershare Investor Services Proprietary Limited.
- To: Computershare Investor Services Proprietary Limited
 - 2nd Floor Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg 2196 (PO Box 61763, Marshalltown, 2107)

Dear Sirs,

PART A: TO BE COMPLETED BY ALL SCHEME PARTICIPANTS WHO RETURN THIS FORM.

I/We hereby surrender the share certificate/s and/or other Documents of Title attached hereto, representing Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the Scheme becoming operative, to register the transfer of these Shares into the name of Value Group or its nominee/s:

Name of Shareholder	Certificate number/s	Number of Shares covered by each certificate/s enclosed
Total		

Surname or name of corporate body:

First name/s in full

Title (Mr, Mrs, Miss, Ms, etc.)

Note:

Signature of Shareholder	Name and address of agent lodging this Form (if any)
Assisted by me (if applicable)	
(state full name and capacity)	
Date 2021	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cellphone number	

PART B: TO BE COMPLETED BY A CERTIFICATED SCHEME PARTICIPANTS WHO COMPLETED PART A AND WHO IS AN EMIGRANT FROM, OR NON-RESIDENT OF, THE COMMON MONETARY AREA (SEE NOTES I AND 2 BELOW).

In the case of Certificated Scheme Participants who are emigrants: The Scheme Consideration will be transferred (at the risk of the Certificated Scheme Participant) to the Authorised Dealer nominated by the Certificated Scheme Participant below for its control and credited to the emigrant's capital account. Accordingly, non-residents who are emigrants must complete this Part B.

All other non-residents of the Common Monetary Area must also complete Part B if they wish the Scheme Consideration to be paid to an Authorised Dealer in South Africa.

NB: PART A must also be completed

Name of Authorised Dealer:	Stamp and address of agent lodging this Form (if any)
Account number:	
Address:	
Signature of Authorise Dealer:	

If emigrants make no nomination above, the Transfer Secretaries will hold the consideration in trust for the benefit of the emigrants concerned until lawfully claimed by such Scheme Participant for a maximum period of five years, after which such funds shall be paid over to the Guardian's Fund.

C: TO BE COMPLETED BY CERTIFICATED SCHEME PARTICIPANTS WHO COMPLETED PART A TO ALLOW FOR PROCESSING OF THE SCHEME CONSIDERATION WHICH WILL ONLY BE MADE BY WAY OF ELECTRONIC FLOW OF FUNDS.

To be completed in BLOCK CAPITALS by Certificated Scheme Participants in order to receive payment of the Scheme Consideration.

I/We, being a holder/s of Scheme Shares hereby request that the Scheme Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of Account Holder (no third-party accounts):			
Bank name:			
Branch name:			
Branch code:			
Account number:			
Signature of Shareholder:			
Assisted by me (if applicable):			
(State full name and capacity):			
Date:			
Tel (Home) ()	Tel (Work ()	Cell phone:	

In terms of the Financial Intelligence Centre Act, 38 of 2001, as amended, the Transfer Secretaries will only be able to record the bank details if certified true copies of the Shareholder's identity document and bank statement are submitted with this Form.

Value Group undertakes no responsibility for verification of the banking details provided above nor for the authenticity of the signature above. Certificated Scheme Participants warrant the correctness of the above banking details and indemnify and hold Value Group harmless against any loss for funds having been paid into the account, details of which have been provided above.

Notes:

- I. Emigrants from the Common Monetary Area must, in addition to Part A, also complete Part B.
- 2. All other non-residents of the Common Monetary Area must also complete Part B if they wish the Scheme Consideration to be paid to an Authorised Dealer in South Africa.
- 3. If Part B is not properly completed by Emigrants, the Scheme Consideration will be held in trust will be held in trust by Value Group or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be paid over to the Guardians Fund of the Court. No interest will accrue or be paid on any Scheme Consideration so held in trust.
- 4. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
- 5. Persons who are Emigrants from the Common Monetary Area should nominate the Authorised Dealer in foreign exchange in South Africa which has control of their remaining assets in Part B of this Form. Failing such nomination, the Scheme Consideration due to such Scheme Participants in accordance with the provisions of the Scheme will be held by Value Group, pending instructions from the Scheme Participants concerned.
- 6. Any alteration to this Form must be signed in full by the Shareholder or signatory authorised as contemplated in note 7 or 8 and not initialled.
- 7. If this Form is signed under a power of attorney, then such power of attorney, or a notarial certified copy thereof, must be sent with this Form for noting (unless it has already been noted by Value Group or the Transfer Secretaries). This does not apply in the event of this form bearing a JSE Broker's stamp.
- 8. Where the Scheme Participant is a company or a close corporation, unless it has already been registered with Value Group or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by Value Group.
- 9. If this Form is not signed by the Scheme Participant, the Scheme Participant will be deemed to have irrevocably appointed the Transfer Secretaries to implement the Scheme Participant's obligations under the Scheme on his/her behalf.
- 10. Where there are any joint holders of any Scheme Shares, only that holder whose name stands first in the Register in respect of such Shares need sign this Form.
- 11. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.



VALUE GROUP LIMITED

(Incorporated in the Republic of South Africa) (Registration number: 1997/002203/06) ISE Share Code: VLE ISIN: 7AE000016507

FORM OF ACCEPTANCE AND TRANSFER FOR THE GENERAL OFFER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

Where appropriate and applicable the terms defined in the Circular to Shareholders dated Thursday, 25 March 2021 (the "Circular"), to which this Form is attached, shall bear the same meaning in this Form, unless a word or term is otherwise defined herein.

This Form should be read in conjunction with the Circular.

This Form is only for use by Eligible Shareholders holding Certificated Shares ("Certificated Eligible Shareholders") in respect of the General Offer proposed by Value Group.

Full details of the General Offer are contained in the Circular to which this Form is attached.

This Form is attached for use by Certificated Eligible Shareholders for purposes of accepting the General Offer and Tendering General Offer Shares in terms of the General Offer.

HOLDERS OF DEMATERIALISED SHARES MUST NOT COMPLETE THIS FORM.

INSTRUCTIONS:

- A separate Form is required for each Certificated Eligible Shareholder.
- 2 Certificated Eligible Shareholders must complete this form in **BLOCK CAPITALS**.
- 3 The surrender of Documents of Title is for use only by General Offer Participants who are Certificated Shareholders.
- 4. If you complete the Form of Surrender and Transfer (blue) and return it, together with the relevant Documents of Title, to the Transfer Secretaries in anticipation of the Scheme becoming operative, you will still be required to complete this Form, but you will not be required to surrender your Documents of Title again
- 5. Part A must be completed by all Certificated Eligible Shareholders who return this Form.
- Part B must be completed by a Certificated Eligible Shareholder who completed Part A and who is an emigrant from, or non-resident of, South Africa, the Republic 6. of Namibia and the Kingdoms of Lesotho and eSwatini (collectively, the "Common Monetary Area")
- 7. Part C must be completed by Certificated Eligible Shareholders who completed Part A to ensure receipt of the General Offer Consideration by way of the electronic flow of funds.
- The completed Form and the Documents of Title in respect of the General Offer Shares Tendered must be returned to the Transfer Secretaries so as to be received by no later than 12:00 on the General Offer Closing Date. 8.
- 9 Once this Form is received by the Transfer Secretaries, your acceptance of the General Offer will be final, and you may not withdraw your acceptance unless expressly permitted by the Companies Regulations
- 10. If you do not validly accept the General Offer by 12:00 on the General Offer Closing Date, you will be deemed to have declined the General Offer. Late acceptances may be accepted or rejected at Value Group's absolute and sole discretion.
- 11. If this Form is returned with the relevant Documents of Title in respect of the General Offer Shares, it will be treated as a conditional surrender which is made subject to the General Offer becoming wholly unconditional. In the event of the General Offer not becoming wholly unconditional for any reason whatsoever the Transfe Secretaries will, by no later than five Business Days after the date upon which it becomes known that the General Offer will not become wholly unconditional, return the Documents of Title to the Shareholders concerned, by registered post, at the risk of such Shareholders.
- 12. Persons who have acquired Shares after the date of the issue of the Circular to which this Form is attached, may obtain copies of the Form and the Circular from the Transfer Secretaries.
- The General Offer Consideration will not be paid to Certificated General Offer Participants unless and until Documents of Title in respect of the relevant General 13. Offer Shares have been surrendered to the Transfer Secretaries.
- To: Computershare Investor Services Proprietary Limited

2nd Floor Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg 2196 (PO Box 61763, Marshalltown, 2107)

Dear Sirs

PART A: TO BE COMPLETED BY ALL GENERAL OFFER PARTICIPANTS WHO RETURN THIS FORM.

I/We hereby surrender the Share certificate/s and/or other Documents of Title attached hereto, representing Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the General Offer becoming unconditional, to register the transfer of these Shares into the name of Value Group or its nominee/s:

Name of Shareholder	Certificate number/s	Number of Shares covered by each certificate/s enclosed
	Total	

Surname or name of corporate body:

First name/s in full Title (Mr, Mrs, Miss, Ms, etc.)

Note:

Signature of Shareholder	Name and address of agent lodging this Form (if any)
Assisted by me (if applicable)	
(state full name and capacity)	
Date 2021	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cell phone number	

PART B: TO BE COMPLETED BY A CERTIFICATED ELIGIBLE SHAREHOLDER WHO COMPLETED PART A AND WHO IS AN EMIGRANT FROM, OR NON-RESIDENT OF, THE COMMON MONETARY AREA (see notes 3 and 4 below).

In the case of Certificated Eligible Shareholders who are emigrants: The General Offer Consideration will be transferred (at the risk of the Certificated Eligible Shareholders) to the Authorised Dealer nominated by the Certificated Eligible Shareholders below for its control and credited to the emigrant's capital account. Accordingly, non-residents who are emigrants must complete this Part B.

All other non-residents of the Common Monetary Area must also complete Part B if they wish the General Offer Consideration to be paid to an Authorised Dealer in South Africa.

NB: PART A must also be completed

Name of Authorised Dealer:	Stamp and address of agent lodging this Form (if any)
Account number:	
Address:	
Signature of Authorise Dealer:	

If emigrants make no nomination above, the Transfer Secretaries will hold the consideration in trust for the benefit of the emigrants concerned until lawfully claimed by such General Offer Participant for a maximum period of five years, after which such funds shall be paid over to the Guardian's Fund.

C: TO BE COMPLETED BY CERTIFICATED ELIGIBLE SHAREHOLDERS WHO COMPLETED PART A TO ALLOW FOR PROCESSING OF THE GENERAL OFFER CONSIDERATION WHICH WILL ONLY BE MADE BY WAY OF ELECTRONIC FLOW OF FUNDS.

To be completed in BLOCK CAPITALS by Certificated Eligible Shareholders in order to receive payment of the General Offer Consideration. I/We, being a holder/s of General Offer Shares hereby request that the General Offer Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of Account Holder (no third-party accounts):			
Bank name:			
Branch name:			
Branch code:			
Account number:			
Signature of Shareholder:			
Assisted by me (if applicable):			
(State full name and capacity):			
Date:			
Tel (Home) ()	Tel (Work ()	Cell phone:	

In terms of the Financial Intelligence Centre Act, No. 38 of 2001, as amended, the Transfer Secretaries will only be able to record the bank details if certified true copies of the Shareholder's identity document and bank statement are submitted with this Form.

Value Group undertakes no responsibility for verification of the banking details provided above nor for the authenticity of the signature above. Certificated Eligible Shareholders warrant the correctness of the above banking details and indemnify and hold Value Group harmless against any loss for funds having been paid into the account, details of which have been provided above.

Notes and instructions:

- I. Applications under this Form are irrevocable and may not be withdrawn once submitted.
- 2. General Offer Participants should consult their professional advisors in case of doubt as to the correct completion of this Form.
- 3. Emigrants of the Common Monetary Area must, in addition to Part A, also complete Part B. If Part B is not properly completed, the General Offer Consideration will be held in trust by Value Group or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be paid over to the Guardians Fund of the Court. No interest will accrue or be paid on any General Offer Consideration so held in trust.
- 4. All other non-residents of the Common Monetary Area must also complete Part B if they wish the General Offer Consideration to be to be paid to an Authorised Dealer in South Africa.
- 5. Persons who are emigrants from the Common Monetary Area should nominate the Authorised Dealer in foreign exchange in South Africa which has control of their remaining assets in Part B of this Form. Failing such nomination, the General Offer Consideration due to such General Offer Participants in accordance with the provisions of the General Offer will be held by Value Group or the Transfer Secretaries, pending instructions from the General Offer Participants concerned.

6. The General Offer Consideration will not be transferred to General Offer Participants unless and until Documents of Title in respect of the relevant General Offer Shares have been surrendered to the Transfer Secretaries.

- 7. If a Certificated Eligible Shareholder produces evidence to the satisfaction of Value Group that Documents of Title in respect of General Offer Shares have been lost or destroyed, Value Group may waive the surrender of such Documents of Title against delivery of a duly executed indemnity (including against any damage, expense, loss or payment that Value Group, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the General Offer Consideration to such person) in a form and on terms and conditions approved by Value Group, or may in their discretion waive such indemnity.
- 8. If this Form is not signed by the Certificated Eligible Shareholder, the Certificated Eligible Shareholder will be deemed to have irrevocably appointed the Transfer Secretaries to implement that Certificated Eligible Shareholder's obligations under the General Offer, as the case may be, on his/her behalf.
- 9. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this Form.

10. Any alteration to this Form must be signed in full and should not be merely initialled.

- 11. If this Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this Form for noting (unless it has already been noted by Value Group or the Transfer Secretaries).
- 12. Where the Certificated Eligible Shareholder is a company or a close corporation, unless it has already been registered with Value Group or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by Value Group.
- 13. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by Value Group or the Transfer Secretaries.
- 14. Notes 11, 12 and 13 do not apply in the case of a form bearing a JSE Broker's stamp.

15. Where General Offer Shares are held jointly, only the holder whose name stands first in the Register must sign this Form.