

Imperial Holdings Limited ("**Imperial**" or "**Imperial Holdings**")
Incorporated in the Republic of South Africa
Registration number: 1946/021048/06
Ordinary share code: IPL
ISIN: ZAE000067211
Preference share code: IPLP
ISIN: ZAE000088076

Announcement relating to the:

- **proposed unbundling of Imperial's automotive business, Motus;**
 - **listing of Motus on the JSE; and**
 - **withdrawal of cautionary announcement.**
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1. Introduction

Imperial shareholders are referred to the announcement released on the Stock Exchange News Service ("**SENS**") of the JSE Limited ("**JSE**") on Thursday, 21 June 2018 in relation to the proposed unbundling ("**Unbundling**") of Imperial's automotive business housed in its wholly-owned subsidiary, Motus Holdings Limited ("**Motus**").

The Unbundling will be implemented through: a distribution *in specie* of all the ordinary shares held by Imperial in Motus (the "**Motus Shares**") to the ordinary shareholders of Imperial in terms of section 46 of the South African Companies Act, 71 of 2008, as amended (the "**Companies Act**") and section 46 of the Income Tax Act, 58 of 1962, as amended (the "**Income Tax Act**"); and the simultaneous listing of Motus (the "**Listing**") in the Specialty Retailers sector on the main board of the JSE Limited ("**JSE**") (collectively, the "**Transaction**").

The Unbundling is deemed to constitute a disposal of the greater part of the undertaking or assets of Imperial in terms of section 112 of the Companies Act, and as such, constitutes an "*affected transaction*" as defined in section 117(1)(c)(i) of the Companies Act. The Unbundling is consequently regulated by the Companies Act and the Takeover Regulations (contained in Chapter 5 of the Companies Regulations, 2011) (the "**Takeover Regulations**") and requires the approval of the Takeover Regulation Panel ("**TRP**").

Implementation of the Unbundling and the Listing remains subject to the fulfilment (or waiver, as the case may be) of the suspensive conditions set out in paragraph 6, which conditions include, *inter alia*, that the Unbundling must be approved by the requisite majority of the shareholders of Imperial (the "**Shareholders**").

In connection with the Unbundling and convening the relevant meeting (the "**General Meeting**") to approve the resolutions required to approve implementation of the Unbundling and the matters related thereto, Imperial has prepared a circular (the "**Unbundling Circular**") in accordance with the listings requirements of the JSE (the "**JSE Listings Requirements**"), the Companies Act and Takeover Regulations, which Unbundling Circular will be posted to the shareholders as provided for in paragraph 10, together with Motus' pre-listing statement prepared in accordance with the JSE Listings Requirements (the "**Motus Pre-Listing Statement**").

2. Background to and rationale for the Transaction

The transformation and development of Imperial in recent years has been directed at value creation through strategic clarity, managerial focus and shareholder insight. The first has been achieved through portfolio rationalisation, the second through organisation structure and the third through disclosure. This approach confirmed the absence of operational synergies and resulted in the rapid establishment of Imperial Logistics (being the logistics operations of Imperial, excluding Motus) ("**Imperial Logistics**") and Motus as two large independent businesses. Both are managed and reported on separately, with separate chief executive officers, boards of directors and executive

committees, with decreasing functional support from the holding company. To entrench the independence and focus of Imperial Logistics and Motus further, most of the functions of the Imperial Holdings head office were systematically devolved to the two businesses. Pursuant to more efficient capital and funding structures, significant effort ensured that each business unit achieved appropriately geared independent and self-sustaining balance sheets as evidenced by the consolidated results for the year ended 30 June 2018.

In light of the above, the role of Imperial Holdings as the custodian of governance and the provider of capital to the businesses is no longer necessary. Consequently, and after due consideration to whether the long-term prospects of Imperial Logistics and Motus will be enhanced by them being separately listed, the board of directors of Imperial ("**Board**") approved the external separation of the two businesses through the unbundling of Motus. The Unbundling will enable each of the two businesses to operate in a more focused and efficient manner, allowing each of the businesses to achieve their respective strategic goals, be separately accountable to debt and equity providers and unlocking value for shareholders over the long term. The Unbundling will also provide shareholders with the opportunity to participate directly in Imperial Logistics and/or Motus. The Transaction will be underpinned by the following:

a. Strategic focus and independence:

- providing each of Imperial Logistics and Motus the platform to pursue independent strategic initiatives, with enhanced flexibility and efficiency;
- enhancing the ability to mitigate and manage specific risks and challenges faced by each business unit and proactively react to changes within the specific market segments, industries and economic landscapes in which they operate; and
- enabling management teams to express entrepreneurial flair, including the identification and execution of acquisition opportunities, locally and abroad, with direct responsibility and accountability for performance and growth.

b. Improved operational efficiency mainly through the reduction in complexity and costs over time:

- managing separate operating entities, completely independently of one another, which enhances streamlined activities and operations; and
- in-depth asset focus.

c. Focused capital and funding structures:

- providing respective management teams with direct access and accountability to the equity and debt markets, each with the appropriate capital structure to support their strategies on a long term sustainable basis, and the ability to raise funding independently; and
- on implementation of the Transaction, Imperial Logistics and Motus are positioned to have self-sufficient capital structures, with an optimal mix of debt and equity on a standalone basis and within the industries in which they operate, to facilitate growth, provide flexibility and maintain sufficient liquidity and headroom.

In this context, Imperial has secured sufficient commitments from funders with respect to the debt restructure required for Imperial Logistics and Motus to operate on a standalone basis, post the Unbundling.

d. Enhanced investor understanding and insight of each business and its sub-divisions:

- providing greater insight to investors with regard to the nature of the activities and geographies within which Imperial Logistics and Motus operate, the intrinsic value of each business, and facilitating discretionary investment in independent and dedicated business units with greater comparability to focused and best-in-class peers.

3. Implementation of the Unbundling and the Listing

Subject to the suspensive conditions set out in paragraph 6, the Unbundling and Listing will be implemented as follows:

- Imperial will distribute the Motus Shares to the holders of issued ordinary shares in Imperial by way of a distribution *in specie, pro rata* to their respective shareholding in Imperial, in terms of section 46 of the Companies Act and section 46 of the Income Tax Act, such that each Imperial ordinary shareholder will receive 1 Motus Share for every 1 Imperial ordinary share held on the record date detailed in paragraph 8; and
- Motus (and the Motus Shares) will simultaneously list in the Specialty Retailers sector on the main board of the JSE, under share code 'MTH' and the abbreviated name 'Motus'. For this purpose, the Motus Pre-Listing Statement will be sent to Shareholders together with the Unbundling Circular, which should be read in conjunction with each other.

Furthermore, the rules of Imperial's existing share incentive schemes ("**Existing Share Schemes**"), do not make specific provisions for a transaction of the nature of the Unbundling, and the Board is of the view that participants in the Existing Share Schemes should not be disadvantaged or prejudiced by the Unbundling, and should be placed in a position after the Unbundling, that leaves them as close as possible to the position they would have been in, had the Unbundling not taken place. Consequently, the Unbundling is inter-conditional with certain amendments to the Existing Share Schemes being approved by the requisite majority of Shareholders in terms of paragraph 14.2 of Schedule 14 of the JSE Listings Requirements, with the aim of ensuring fair and equitable treatment of the employees concerned, while taking account of the interests of both Imperial and Motus after the Unbundling.

Imperial also proposes to change its name from "*Imperial Holdings Limited*" to "*Imperial Logistics Limited*" (and to make consequent amendments to the memorandum of incorporation of Imperial (the "**MOI**")). The change of name (and consequent amendments to the MOI) of Imperial requires the approval of Shareholders by way of a special resolution, in accordance with section 16(1)(c)(ii) of the Companies Act and article 38 of the MOI, at the General Meeting.

An Imperial ordinary shareholder may exercise their dissenting shareholder appraisal rights in terms of section 164 of the Companies Act.

Shareholders are advised to refer to the Unbundling Circular and Motus Pre-listing Statement for the full terms and conditions of the Unbundling and the Listing.

4. Overview of Imperial Logistics

Imperial Logistics is an integrated outsourced logistics service provider with a diversified presence across Africa and Europe. With its strong regional growth platforms, specialist capabilities customised to serve multi-national clients in attractive industries, and "asset-right" business model, Imperial Logistics is expected to deliver sustainable revenue growth, enhanced profitability and a stable dividend of approximately 45% of HEPS. Improvements in asset mix and cash flow, and plans to achieve targeted returns on capital in excess of weighted average cost of capital ("**WACC**"), will support this expectation.

Ranked in the top 25 global third-party logistics (3PL) providers as published by Armstrong & Associates Inc (#15 for land-based revenue in 2017), with a presence in 38 countries on five continents and approximately 30 000 employees, Imperial Logistics' key investment highlights include:

- Leading positions in regional markets provide platforms for sustainable growth: market leader in South Africa, a leader in selected industries (consumer packaged goods and pharmaceuticals) in the African countries in which it operates, and in certain specialised capabilities in Europe;
- Competitive differentiation centred on agility and customisation: specialised capabilities across the value chain enable customised and integrated solutions, with service offerings and operating models tailored to client requirements and market maturity;
- Trusted partner to multinational clients: quality contract portfolio in high-growth and defensive industries, with partnerships demonstrating reach, capabilities, assets, innovation and legitimacy;

- “Asset-right” business model underpins financial profile: more optimal asset mix and targeted returns on capital, support prospects for sustainable revenue growth and enhanced profitability and cash generation;
- Vision to unlock benefits of ‘one Imperial Logistics’: strategy focused on sustainable revenue growth, enhanced returns and improved competitiveness, with initiatives to drive substantial organic growth enabled by differentiated approach to digitalisation and innovation, and enhanced financial flexibility supporting selective acquisitive growth;
- Track record for consistent growth: proven ability to acquire, develop and leverage specialist capabilities to establish growth platforms in emerging and advanced markets; and
- Strong and committed leadership: highly experienced, long-serving management team and a strong independent Board.

5. Overview of Motus

Motus is a diversified (non-manufacturing) business in the automotive sector with unrivalled scale and scope in South Africa, and a selected international presence, primarily in the United Kingdom (“UK”) and Australia. Motus’ unique business model is fully integrated across the motor value chain - import and distribution, retail and rental, motor related financial services and aftermarket parts. This business model provides diversified service offerings, significant annuity earnings underpin, maximises revenue and income opportunities, and provides returns in excess of WACC, enabling Motus to maintain sustainable free cash flow and pay an attractive dividend.

Supported by over 18 300 employees and as Southern Africa’s largest vehicle group, Motus’ key investment highlights include:

- Unique fully integrated business model across the Automotive value chain: import and distribution, retail and rental, motor- related financial services, and aftermarket parts;
- Diversified service provider to the Automotive sector (non-manufacturing) with a leading position in South Africa and selected international presence (UK and Australia);
- Strong exposure to annuity income streams, sustainable free cash flow generation with best-in-class earnings, providing a platform for an attractive dividend yield;
- Unrivalled scale underpinning a differentiated value proposition to original equipment manufacturers (OEMS), customers and business partners, providing multiple customer touch points which supports resilience and customer loyalty through the entire vehicle ownership cycle;
- Defined organic growth trajectory through portfolio optimisation, continuous operational enhancements and innovation, with a selected acquisition growth strategy outside South Africa; and
- Highly experienced management team with deep industry knowledge of regional global markets, and a proven track record with years of collective experience, and a strong independent Board.

6. Suspensive conditions

The implementation of the Unbundling and Listing is subject to the fulfilment or waiver (by Imperial, to the extent permitted) of the following suspensive conditions on or before Wednesday, 14 November 2018, or such later date as Imperial may in its sole discretion determine (and subject to approval from the TRP) (“**Suspensive Conditions**”):

- the resolutions authorising the Unbundling and amendments to Imperial’s existing share incentive schemes shall have been passed by the requisite majority of the votes of Shareholders, at the General Meeting to be held on or about Tuesday, 30 October 2018;
- the JSE shall have approved the Listing;
- the TRP shall have issued a certificate of compliance in respect of the Unbundling in terms of section 119 of the Companies Act; and
- no written notice from any Shareholder is received by the Company in terms of section 164(3) of the Companies Act objecting to the requisite special resolution in terms of section 115 of the Companies Act. If any such objection notices are received by the Company, then it is noted that the chairperson of the General Meeting may close the General Meeting without

putting the resolutions in the notice of General Meeting to the vote. This Suspensive Condition may be waived (in whole or in part) at the sole and absolute discretion of the Board.

An announcement will be released on SENS as soon as possible after the fulfilment, waiver or non-fulfilment, as the case may be, of the Suspensive Conditions.

7. Pro forma financial effects of the Unbundling

Based on Imperial's consolidated results for the year ended 30 June 2018, the pro forma financial effects of the Unbundling on the earnings per share ("**EPS**"), diluted EPS, headline EPS ("**HEPS**"), diluted HEPS, net asset value ("**NAV**") and tangible NAV ("**NTAV**") of Imperial are set out below.

These financial effects are prepared for illustrative purposes only in order to assist Shareholders to assess the impact of the Unbundling and, because of their nature, may not give a fair presentation of Imperial's financial position, changes in equity, results of operations or cash flows after the internal restructuring and Listing nor the effect of the Unbundling on Imperial's results of operations.

The summarised pro forma financial effects have been prepared in a manner consistent in all respects with International Financial Reporting Standards, the accounting policies adopted by Imperial as at 30 June 2018 and the Revised SAICA Guide on Pro Forma Financial Information and the JSE Listings Requirements.

The pro forma financial effects are the responsibility of the Board. The material assumptions used in the preparation of the pro forma financial effects are set out in the notes following the table below.

[illegible]

HEPS basic (cents)	1 027	0	0	(1 027)	0	0	0	0
HEPS diluted (cents)	999	0	0	(999)	0	0	0	0
Total								
HEPS basic (cents)	1 570	0	40	(1 027)	(1)	(7)	(3)	572
HEPS diluted (cents)	1 526	0	39	(999)	(1)	(7)	(2)	556
Shares in issue net of shares repurchased	198.8						1.0	199.8
Weighted average shares in issue for basic	194.7						1.0	195.7
Weighted average shares in issue for diluted	200.3						1.0	201.3

Notes to the pro forma financial effects:

1. The “Before” has been extracted from the audited Annual Financial Statements for the twelve months ended 30 June 2018, without adjustment, as published on SENS on 21 August 2018.
2. Reference to “Bonds” means the domestic medium term notes issued by Imperial Group Limited and guaranteed by the Company. All of the Bonds that were in issue, amounting to R3.5 billion, were redeemed on 6 August 2018. These are the estimated transaction costs of (R1 million) for the Bond redemption and will not recur, the once-off loss (R13 million) on redemption of the Bonds being the difference between the carrying value (R3 532 million) and the redemption of the Bonds amount paid (R3 545 million) and the ongoing decrease in net financing costs (R14 million) as though the Transaction took place effective 1 July 2017 being the estimated interest rate differential of 40 basis points between the funding cost for Bonds and the cost of the replacement funds on R3.5 billion. The net impact will be nil on the income statement.
3. Reference to “Preference Shares” means outstanding non-redeemable, cumulative, non-participating preference shares in the issued share capital of Imperial (“**Preference Shares**”), which Imperial will repurchase (“**the Repurchase**”) by way of a scheme of arrangement in terms of section 114(c) of the Companies Act, as announced on SENS on 13 August 2018. These are the estimated transaction costs (R2 million) and will not recur, the once-off profit being the difference between the carrying value (R471 million) and the consideration paid (R407 million) in respect of the Preference Shares, and the ongoing reduced net financing costs as though the Repurchase of the Preference Shares took place effective 1 July 2017 being the difference between the funding cost for Preference Shares (R37 million) and the cost of the replacement funds (R30 million) at an interest rate of 7.5%. Tax relief arises from the replacement funding costs (R30 million) which is tax deductible at 28% (R9 million) whereas the dividends treated as funding costs on the Preference Shares had no tax relief.
4. This amount is the once off estimated profit on Unbundling being the estimated market value of Motus (R23 400 million) less the costs of Unbundling (R150 million), the bonuses paid (only on successful implementation of the unbundling) to executives of Imperial and Motus (R19 million) for the substantial additional work involved in the portfolio rationalisation, organisation restructure and successful implementation of the unbundling over the past four years, debt breakage costs (R27 million) and the carrying value of the net assets unbundled (R11 683 million). There is a once-off tax charge (R41 million) arising from the Unbundling being de-grouping tax arising out of previous Group restructurings. The profits attributable to the discontinued operations (Motus) (R2 312 million) have been eliminated which is ongoing.
5. This is the transitional cost for 2018 and 2019 relating to Imperial’s existing Deferred Bonus Plan incentive scheme grants made prior to the Unbundling whereas the settlement post Unbundling will be in shares of both Imperial and Motus. This requires the ongoing trueing up of the liability in respect of the Motus Shares to be delivered to the share price of the Motus Shares which is assumed to grow by 8% for the year. The impact of the increased liability will be reduced by the fair value benefit of the Motus Shares resulting in a net increased cost of R2 million, with the related tax impact of R1 million. The final impact could be higher if the combined share price immediately post the Unbundling is higher than the Imperial share price immediately prior to the Unbundling. This assumes that the Transaction is effective 1 July 2017. There is

also an initial recognition of the liability out of the share based equity reserve for the delivery of Motus shares (R18 million) relating to the settlement of the DBPs.

6. This is the ongoing impact of the increased costs of being a separately listed entity being the additional cost over and above the admin fees charged by group head office to Imperial Logistics. The tax relief (R5 million) is calculated at 28% of the additional costs. This assumes that the Transaction is effective 1 July 2017.
7. When Motus is unbundled Imperial will receive one Motus share for every Imperial share owned that is currently held as a treasury share (to settle certain SARs and DBPs). Motus will receive rights to shares repurchased to hedge obligations to settle Existing Share Schemes based on its share of the obligations. Imperial's share of the Motus Shares retained will be reclassified as an investment (R33 million) and fair valued through profit or loss. The numbers of treasury shares in issue will reduce and impact the weighted average shares in issue. This means that the adjustments to NAV and NTAV will not add to the total column.
8. Imperial will receive from Motus a final dividend for F 2018 (R407 million) and pay its final dividend of 387 cents per share (R769 million) to Imperial shareholders prior to the Unbundling of Motus.

Additional notes:

The ongoing impact on net funding costs will depend on how Imperial's treasury department draws down on the new facilities and the exact mix of funding. Based on a similar funding mix, the change to the blended cost of funding is expected to be immaterial.

There are no other post balance sheet events which require adjustments to the pro-forma financial effects.

8. Salient dates and times

The salient dates and times in relation to the Listing and the Unbundling are as follows:

2018	
Circular posted to Imperial shareholders	Thursday, 27 September
Motus Pre-Listing Statement posted to Imperial shareholders and abridged Pre-Listing Statement released on SENS	Thursday, 27 September
Motus Abridged Pre-Listing Statement published in the South African press	Friday, 28 September
Last day to trade in order to be eligible to participate and vote at the General Meeting	Tuesday, 16 October
Record date in order to participate and vote at the General Meeting	Friday, 19 October
Form of proxy (<i>yellow</i>) for General Meeting to be received by 10h00. Alternatively may be handed to the chairperson of the General Meeting prior to commencement of the General Meeting on Tuesday 30 October	Monday, 29 October
Last day for any Shareholder to deliver a written notice to the Company, objecting to the requisite special resolution in terms of section 115 of the Companies Act, in accordance with section 164(3) of the Companies Act before the special resolution is to be voted on at the General Meeting	Tuesday, 30 October
General meeting held at 10h00	Tuesday, 30 October
Results of General Meeting released on SENS	Tuesday, 30 October
Results of General Meeting published in the South African press	Wednesday, 31 October

Unbundling finalisation date announcement expected to be published on SENS on	Wednesday, 14 November
Last day to trade in Imperial ordinary shares on the JSE to participate in Unbundling	Wednesday, 21 November
Listing of Motus from the commencement of trade	Thursday, 22 November
Imperial ordinary shares trade ex entitlement to Motus Shares	Thursday, 22 November
Announcement of specified ratio in respect of apportionment of costs / base costs of Motus for taxation / CGT capital gains taxation purposes released on SENS	Friday, 23 November
Announcement of specified ratio in respect of apportionment of costs / base costs of Motus for taxation / CGT capital gains taxation purposes released published in the South African press	Monday, 26 November
Record date to receive Motus Shares in relation to the Unbundling	Monday, 26 November
Motus Shares unbundled to Shareholders	Tuesday, 27 November
Shareholder's account with CSDP or broker updated	Tuesday, 27 November

Note:

1. All times shown in the table above are South African times unless otherwise stated.
2. The above dates and times are subject to amendment. Any material amendment will be announced on SENS and published in the South African press.
3. Shares may not be dematerialised or rematerialised between Thursday, 22 November 2018 and Monday, 26 November 2018.
4. If the General Meeting is adjourned or postponed, forms of proxy submitted of the General Meeting will remain valid in respect of any adjournment or postponement of the general meeting unless the contrary is stated on the relevant form of proxy.
5. To the extent that a form of proxy (yellow) is not received by 10h00 on Monday, 29 October 2018, as envisaged in the table above, the form of proxy may be handed to the chairperson of the General Meeting prior to the commencement of such meeting.

9. Independent Expert's report and recommendations

The board of directors of Imperial has constituted an independent board ("**Independent Board**"), comprised of S.P. Kana, P. Cooper, G.W. Dempster, P. Langeni, T. Skweyiya and R.J.A. Sparks, in accordance with the Takeover Regulations, to consider the Unbundling.

The Independent Board appointed PricewaterhouseCoopers Corporate Finance Proprietary Limited as the independent expert ("**Independent Expert**") for purposes of preparing an opinion in respect of the Unbundling in accordance with sections 114(2) and 114(3) of the Companies Act and regulation 90 of the Takeover Regulations ("**Independent Expert Report**").

Having considered the terms and conditions of the Unbundling and based upon and subject to the terms and conditions set out in the Independent Expert Report, the Independent Expert is of the opinion that the Unbundling is fair and reasonable to Shareholders.

The Independent Board, after due consideration of the Independent Expert Report, has considered the terms and conditions of the Listing and the Unbundling and the members of the Independent Board are unanimously of the opinion that the terms and conditions of the Unbundling and Listing are fair and that the implementation of the Unbundling and Listing will be to the benefit of the Shareholders. Accordingly, the Independent Board recommends that Shareholders vote in favour

of the special and ordinary resolutions to be proposed at the General Meeting and recommend that Shareholders vote in favour of the relevant resolutions required to implement the Unbundling.

The Independent Board is not aware of any factors that are difficult to quantify or are unquantifiable (as contemplated in regulation 110(6) of the Takeover Regulations and has not taken any such factors into account in forming its opinion.

The full Independent Expert Report and the basis for its conclusions will be set out in the Unbundling Circular.

10. Notice of General Meeting and posting of Unbundling Circular and Motus Pre-Listing Statement

The Unbundling Circular will be posted to Imperial shareholders, and will contain the relevant notice to convene the General Meeting to be held at 10h00 on Tuesday, 30 October 2018 at the Hyundai Head Office, corner Lucas and Norman Road, Bedfordview, Johannesburg, Gauteng, South Africa for the purpose of considering and, if deemed fit, passing with or without modification, the relevant resolutions required to implement the Unbundling.

The Motus Pre-Listing Statement will be posted simultaneously with the Unbundling Circular, and should be read in conjunction therewith.

11. Responsibility statement

The Board and Independent Board accept responsibility for the information contained in this announcement to the extent that it relates to Imperial, and certify, to the best of their knowledge and belief, that the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of the information.

12. Foreign Shareholders

The Unbundling is governed by the laws of South Africa and is subject to applicable South African laws and regulations, including the exchange control regulations. Any Imperial ordinary shareholder who is in doubt as to his position with respect to the Unbundling in any jurisdiction, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

The Unbundling and distribution of Motus Shares is being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions.

No action has been taken by Imperial or Motus to obtain any approval, authorisation or exemption to permit the distribution of the Motus Shares or the possession or distribution of the Unbundling Circular and the Motus Pre-Listing Statement (or any other publicity material relating to the Motus Shares) in any jurisdictions other than South Africa, the United States of America (“**US**”) and the United Kingdom of Great Britain and Northern Ireland (“**UK**”).

The Unbundling and distribution of Motus Shares to Imperial ordinary shareholders who have registered addresses outside South Africa (or is resident, domiciled or located in, or who is a citizen of, a country other than South Africa) (a “**Foreign Shareholder**”) may be affected by the laws of Foreign Shareholders’ relevant jurisdictions. Such persons should inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such person wishing to participate in the Unbundling to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

In respect of Foreign Shareholders who are located in the US, the Motus Shares are expected to be issued and distributed in a transaction meeting the conditions of Staff Legal Bulletin No. 4 of the staff of the US Securities and Exchange Commission for “spin-off” transactions and, accordingly, all Foreign Shareholders located in the United States are eligible to vote on the resolutions to be

proposed in the General Meeting and subsequently, if the Unbundling is implemented, to receive the Motus Shares without registration under the US Securities Act.US.

The Unbundling (a) will not constitute an “offer to the public” within the meaning of the European Union Directive 2003/21/EC, as amended or an “offer of transferrable securities to the public” within the meaning section 102B(1) of the UK Financial Services and Markets Act 2000, and (b) does not contemplate the admission to trading of the Motus Shares on a regulated market in the UK or the European Union. Accordingly, all Foreign Shareholders located in the UK are eligible to vote on the resolutions to be proposed in the General Meeting and to subsequently, if the Unbundling is implemented, to receive Distribution Shares without further action being taken by Imperial or Motus.

Foreign Shareholders are reminded that they may dispose of their Imperial ordinary shares prior to the last date to trade in which case they will not participate in the Unbundling.

Foreign Shareholders are referred to the Unbundling Circular and Motus Pre-Listing Statement for further detail regarding treatment of Foreign Shareholders in connection with the Unbundling and Listing.

13. Composition of the Board following the Unbundling

Messrs SP Kana, MV Moosa and A Tugendhaft will retire at the upcoming Annual General Meeting.

The current deputy chairman, Mr A (Oshy) Tugendhaft has served on the Board and various committees since 1998. During this time he provided invaluable advice and wisdom to the Board and management which saw Imperial Holdings grow from its listing to its present day size. He will join the board of Motus on Unbundling.

Mr Moosa, served with distinction for the past 13 years, since his initial appointment as representative of Lereko Mobility in 2005.

The current chairman, Mr SP Kana, joined the board in 2015 and has indicated that his commitment to Imperial would end upon the culmination of the strategy of Imperial Holdings in the Unbundling. He provided guidance and important leadership in the period during which the business underwent significant restructuring and management changes.

The Board thanks Messrs Kana and Moosa for their contribution to the company and wishes them well in their future endeavours.

After the Unbundling, the Board will be reconstituted as set out below.

Name	Position
P Langeni	Chairman *
P Cooper	Non-executive Director*
GW Dempster	Non-executive Director*
T Skweyiya	Non-executive Director*
RJA Sparks	Lead Non-executive Director*
M Swanepoel	CEO [#]
M Akoojee	CEO Designate [#]
JG de Beer	CFO ^{\$}

** Independent*

Mr M Swanepoel will retire as CEO in June 2019 but will remain as director to 31 December 2019, and Mr M Akoojee will be appointed as CEO with effect from 1 July 2019.

\$ Mr JG de Beer will be appointed to the Board as CFO from the date of Unbundling. His experience, qualifications and appointment has been considered and approved by the Imperial Audit Committee and the Board. He currently serves as the CFO of Imperial Logistics.

14. Withdrawal of cautionary announcement

Shareholders are referred to the cautionary announcement dated 21 June 2018. As full details of the Unbundling and Listing are set out in this announcement, Shareholders are advised that they no longer need to exercise caution when dealing in their Imperial shares.

Bedfordview
17 September 2018

Transaction Sponsor:
Standard Bank

Joint Financial Advisors:
Standard Bank
J.P. Morgan

Legal advisors as to the laws of South Africa
Bowmans
Tugendhaft Wapnick Banchetti and Partners

Legal advisor as to the laws of the United States
Freshfields

Independent Expert
PricewaterhouseCoopers Corporate Finance (Pty) Limited

Independent Reporting Accountants
Deloitte & Touche

Sponsor
Merrill Lynch SA (Pty) Limited

DISCLAIMER

Nothing in this announcement constitutes (or forms part of) any offer for the sale of, or solicitation of any offer to purchase or subscribe for, any securities of Imperial or Motus in any jurisdiction.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions. Failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

FORWARD-LOOKING STATEMENTS

This announcement contains statements about Imperial and Motus 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 relevant business; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. 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, estimates of capital expenditures, acquisition strategy, or 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. Imperial 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 Imperial operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement.

All these forward-looking statements are based on estimates and assumptions, all of which, although Imperial may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to Imperial, or Motus or not currently considered material) could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Shareholders should keep in mind that any forward-looking statement made in this announcement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Imperial or Motus, or other matters to which such forward-looking statements relate, 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. Imperial has no duty to, and does not intend to, update or revise the forward-looking statements contained in this announcement after the date of this announcement, except as may be required by law. Any forward-looking statements have not been reviewed nor reported on by the external auditors.