**Investec Limited**
Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE share code: INL
NSX share code: IVD
BSE share code: INVESTEC
ISIN: ZAE000081949
("Investec Limited")

**Investec plc**
Incorporated in England and Wales
Registration number 3633621
LSE share code: INVP
JSE share code: INP
ISIN: GB00B17BBQ50
("Investec plc")

**17 March 2020**

**Investec plc, Investec Limited**

**Unbundling of Ninety One plc and Ninety Limited from Investec plc and Investec Limited respectively: Apportionment of tax cost for South African and United Kingdom tax purposes and cash proceeds in respect of fractional entitlements**

INVESTEC LIMITED DEMERGER

In the Circular to Investec shareholders dated 29 November 2019, Investec Limited informed its shareholders of the proposed unbundling and distribution of 159,452,355 ordinary shares held by Investec Limited in Ninety One Limited, in the ratio of 1 Unbundled Share for every 2 shares held in Investec Limited, to Investec Limited shareholders who were recorded in the share register at the close of business on Friday, 13 March 2020 (LDT), in terms of section 46 of the Income Tax Act No 58 of 1962 (the "Act").

The purpose of this announcement is to advise Investec Limited shareholders of (i) the closing price of the Investec Limited ordinary shares on LDT+1 (16 March 2020) and (ii) the ratio in which the expenditure incurred in connection with the acquisition of the Investec Limited ordinary shares, or their valuation date values, as the case may be, must be allocated between the Ninety One Limited ordinary shares and the Investec Limited ordinary shares (the "Allocation Ratio").

Accordingly Investec Limited shareholders should calculate the Allocation Ratio as follows:

A = B x (C/(C+D)) where:

"A" is the expenditure determined which must be allocated to the Ninety One Limited shares;

"B" is the aggregate expenditure incurred by you (as Investec Limited shareholder) in relation to the Investec Limited ordinary shares held by you;

"C" is the aggregate market value of the unbundled Ninety One Limited shares determined as at the end of the day after the LDT date (the LDT date being the day of the Ninety One Limited Distribution for South African tax purposes), i.e. the market value at market close on LDT+1; and

"D" is the aggregate market value of Investec Limited ordinary shares, determined as at the end of the day after the LDT date (the LDT date being the day of the Ninety One Limited Distribution for South African tax purposes), i.e. the market value at market close on LDT+1.

Investec Limited shareholders are advised that the Allocation Ratio, based on the relative market values of the Ninety One Limited ordinary shares and the Investec Limited ordinary shares at the close of business on LDT+1 is as follows:

| | **Closing price 16/03/2020** | **Market value LDT+1** | **Ratio** |
|---|---|---|---|
| | **R** | **R** | **%** |
| Ninety One Limited shares distributed | 32.90 | 5,245,982,480 | 30.401 |
| Investec Limited ordinary shares | 37.66 | 12,009,951,341 | 69.599 |
| **Total** | | | **100%** |

The South African Budget which was announced on 26 February 2020 by the Minister of Finance proposed certain potential amendments to the unbundling provisions contained in section 46 of the Act relating to the definition of "disqualified person" as set out in section 46(7). These proposed amendments should be contained in the next Taxation Laws Amendment Act which is likely to be promulgated later this year or in January 2021 and should therefore not be applicable to the Investec Limited Demerger transaction as specified in the Announcement and in the Circular.

CASH PROCEEDS OF FRACTIONAL ENTITLEMENTS

As outlined in paragraphs 3.1 and 2.1 of Part XIII of the Investec Circular to shareholders published on 29 November 2019, in implementing the Demerger of Ninety One Limited and Ninety One plc Investec is required by the Listing Requirements of the JSE Limited ("Listings Requirements") to round down the fractional entitlements to Unbundled/demerged Shares to the nearest whole number. The fractions of Unbundled/Demerged Shares to which Shareholders would otherwise have been entitled to, will not be transferred to them but will be aggregated and sold in the open market as soon as practically possible after the Unbundling.

Shareholders will accordingly receive monetary compensation (i.e. the Cash Proceeds) in respect of their fractional entitlements to Unbundled/Demerged Shares. In accordance with the Listings Requirements, the Cash Proceeds have now been determined with reference to the volume-weighted average price ("VWAP") of an Unbundled /Demerged share on the securities exchange operated by the JSE Limited on 16 March 2020, reduced by 10%. Shareholders are advised that the calculation of the Cash Proceeds due to Shareholders in respect of any fractional entitlements will be as follows:

| | **VWAP price 16/03/2020** | **Fractional entitlement per share price (VWAP less 10%)** |
|---|---|---|
| | **R** | **R** |
| Ninety One Limited shares | 32.94 | 29.65 |

| | | |
|---|---|---|
| distributed | | |
| Ninety One plc ordinary shares | 32.93 | 29.64 |

*Example of fractional entitlement*

Investec Limited

This example assumes that a Shareholder holds 3 Investec Limited Shares at the close of business on Friday 13 March 2020, the LDT to receive the Unbundled Shares. The rounding provision described above is then applied and the Shareholder will receive 1 Unbundled Share in respect of the 3 Investec Limited Shares held as at the Record Date. In addition, the Shareholder will receive Cash Proceeds of R14.82 in respect of the fractional entitlement (R29.65 X 0.5).

Investec plc

This example assumes that a Shareholder holds 3 Investec plc Shares at the close of business on Friday 13 March 2020, the LDT to receive the Unbundled Shares. The rounding provision described above is then applied and the Shareholder will receive 1 Unbundled Share in respect of the 3 Investec plc Shares held as at the Record Date. In addition, the Shareholder will receive Cash Proceeds of R14.82 in respect of the fractional entitlement (R29.64 X 0.5).

INVESTEC PLC DEMERGER

South African tax considerations regarding the distribution of Ninety One plc ordinary shares to Investec plc ordinary shareholders (“Ninety One plc Distribution”) who hold these shares on capital account.

Similarly to the above notification to the Investec Limited shareholders, the Circular, which was also addressed to Investec plc shareholders, informed the Investec plc shareholders of the proposed demerger pursuant to which Investec plc shareholders would receive Ninety One plc shares who were recorded in the share register at the close of business on Friday, 13 March 2020.

The purpose of this announcement is to advise the South African tax resident Investec plc shareholders, with Investec plc shares listed on the Johannesburg Stock Exchange, of the South African tax consequences that arise as a result of the Ninety One plc Distribution.

The existing base cost in the Investec plc Ordinary Shares held by Investec plc shareholders must be reduced by the market value (at market close on 13 March 2020) of the Ninety One plc shares received, in terms of paragraph 76B of the Eighth Schedule to the Act. To the extent that the market value of the Ninety One plc shares received by the Investec plc shareholders exceeds the base cost of the Investec plc shares, that excess is treated as a taxable capital gain realised, which must be included in that Investec plc shareholder's taxable income at the effective rate of 22.4% (being 80% of 28%) for companies and a maximum effective rate of 18% (being a maximum of 40% of 45%) for individual.

The base cost going forward, of the Ninety One plc shares in the hands of the Investec plc shareholders for capital gains tax purposes, will be equal to the market value of such shares on the date of the distribution (13 March 2020), in terms of paragraph 75 of the Eighth Schedule to the Act.

UNITED KINGDOM TAX CONSIDERATIONS REGARDING THE NINETY ONE LIMITED DISTRIBUTION (INCLUDING FRACTIONAL ENTITLEMENTS)

As referred to in the Circular, the receipt of Ninety One Limited ordinary shares and any cash in respect of fractional entitlements pursuant to the Ninety One Limited Distribution will be a taxable event for United Kingdom resident Investec Limited shareholders. The nature of any tax charge will depend on whether the Ninety One Limited Distribution is regarded as a capital distribution or dividend (or other income distribution) for United Kingdom tax purposes. Although the position is not clear, Investec expects that the Ninety One Limited Distribution should be treated as a capital distribution for United Kingdom tax purposes.

On the basis that the Ninety One Limited Distribution is treated as a capital distribution for United Kingdom tax purposes, Investec Limited shareholders who are resident in the United Kingdom would (subject to the small distribution rules addressed below) be treated as making a part disposal of their Investec Limited ordinary shares which may give rise to a liability to United Kingdom capital gains tax or corporation tax on chargeable gains (as applicable). The value of the capital distribution is the aggregate of the market value (at the time of the Ninety One Limited Distribution) of the Ninety One Limited ordinary shares received by such shareholder (taking into account the Demerger Ratio) on the date of the Ninety One Limited Distribution plus the amount of any cash received in respect of fractional entitlements. The Ninety One Limited Distribution took place at the close of business on 13 March 2020, at which time the Ninety One Limited Shares were unlisted.

In calculating the chargeable gain (or allowable loss) on the part disposal, a proportion of the shareholder's allowable cost in his Investec Limited ordinary shares would be taken into account, determined in accordance with the following formula:

$X = A/(A+B)$ where

"X" is the proportion of the base cost to be taken into account in calculating the gain on the part disposal;

"A" is the market value of the Ninety One Limited Shares received by the shareholder on the Investec Limited Distribution at the time of the Investec Limited Distribution (taking into account the Demerger Ratio) plus the amount of any cash received by the shareholder in respect of fractional entitlements;

"B" is the market value of the shareholder's Investec Limited Shares immediately after the Ninety One Limited Distribution.

Although it is not guaranteed, H.M. Revenue and Customs may accept that the market value of the shares can be determined on the basis of the closing price of the shares on the Johannesburg Stock Exchange on the first day of listing on 16 March 2020.

| | Market Value per share (16 March) | Demerger Ratio |
|---|---|---|
| Ninety One Limited shares distributed | ZAR 32.90 | 1 |
| Investec Limited ordinary shares post-distribution | ZAR 37.66 | 2 |

Accordingly (on the basis of 16 March 2020 closing values, the Demerger Ratio of 2:1 and in the case of a shareholder which does not receive any cash in respect of fractional entitlements), for every 2 Investec Limited shares held by a shareholder, A is 32.9 and B is 75.32 (37.66 x 2), and X is therefore 30.4%.

A shareholder will obtain a market value base cost in the Ninety One Limited ordinary shares received on the Ninety One Limited Distribution.

If the value of the capital distribution is small in comparison with the value of a shareholder's Investec Limited ordinary shares, the shareholder should not be treated as making a part disposal and, instead, an amount equal to the value of the capital distribution will be deducted from the shareholder's base cost in his Investec Limited ordinary shares. Under current HMRC practice, where the value of the capital distribution received by a shareholder is £3,000 or less, such value will generally be treated as small for these purposes.

If instead the Investec Limited Distribution were to be regarded as an income distribution, UK resident Investec Limited shareholders would be taxed in the same way as if they received a dividend in an amount equal to the market value of the Ninety One Limited ordinary shares received (plus any cash in respect of fractional entitlements), which should be determined on the same basis as above

UNITED KINGDOM TAX CONSIDERATIONS REGARDING THE NINETY ONE PLC DISTRIBUTION (INCLUDING FRACTIONAL ENTITLEMENTS)

As referred to in the Circular, a United Kingdom resident Investec plc shareholder will not be treated as having made a disposal of his Investec plc ordinary shares as a result of receiving Ninety One plc ordinary shares pursuant to the Ninety One Plc Distribution. Instead, the Ninety One plc ordinary shares will be treated as the same asset as the Investec plc ordinary shares acquired at the same time and for the same consideration as those shares.

The base cost of a United Kingdom resident Investec plc shareholder in his Investec plc ordinary shares will need to be apportioned following the Ninety One plc Distribution between his Investec plc ordinary shares and the Ninety One plc ordinary shares acquired pursuant to the Ninety One Plc Distribution. Such allocation will be on the basis of the market value of the respective shares on 16 March 2020, which will be the lower of the two prices for the respective shares shown in the London Stock Exchange Daily Official List for 16 March 2020 as the closing price for the shares on that day plus one-half of the difference between those two figures, as adjusted to account for the Demerger Ratio.

| | Market Value | Demerger Ratio | Base Cost Allocation |
|---|---|---|---|
| Ninety One plc shares | £1.5120 | 1 | 28.84% |

| | | | |
|---|---|---|---|
| distributed | | | |
| Investec plc ordinary shares | £1.8655 | 2 | 71.16% |

A United Kingdom resident Investec plc shareholder who receives cash in respect of a fractional entitlement to a Ninety One plc ordinary share on the Ninety One plc Distribution should not be treated as having disposed of the shares in respect of which the cash is received on the basis of the practice of HM Revenue & Customs and that the amount of cash is less than £3,000. Instead, an amount equal to the amount of such cash will be deducted from the base cost of his Investec plc shares.

NOTE 1:

Save where expressly indicated, the comments above relating to United Kingdom taxation apply only to Investec Limited shareholders or Investec plc shareholders (as applicable) who are resident and, in the case of an individual, domiciled or deemed domiciled for tax purposes in the United Kingdom and to whom “split year” treatment does not apply, who hold their shares as an investment and who are the absolute beneficial owners thereof. Certain categories of shareholders, including those carrying on certain financial activities, those subject to specific tax regimes and those for whom the shares are employment-related securities may be subject to special rules and the comments above do not apply to such shareholders. Shareholders are recommended to consult with their own professional advisers to consider the implications for them in light of their own circumstances.

NOTE 2:

Summaries of certain tax considerations arising in respect of the distribution are set out in Section B of Part XIV of the Circular posted to all Investec and Investec plc shareholders on 29 November 2019 (and which has been and remains available on www.investec.com/demerger. Such summary and this Announcement are general guides and are not intended to constitute a complete analysis of the tax consequences of the distribution. It is not intended to be, nor should it be considered to be, legal or tax advice and is provided for information purposes only. Shareholders should therefore consult their own independent professional advisors on the tax consequences to them of the distribution, should they be in any doubt as to their tax positions.

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