
POSTING OF CIRCULAR REGARDING SPECIAL AND ORDINARY RESOLUTIONS TO BE CONSIDERED AND ADOPTED BY SHAREHOLDERS IN TERMS OF SECTION 60 OF THE COMPANIES ACT RELATING TO THE CONVERSION OF PAR VALUE SHARES TO NO PAR VALUE SHARES AND AN INCREASE IN AUTHORISED SHARES

Shareholders are advised that Section 65(2) of the Companies Act provides that the board of directors of a company may propose any resolution to be considered by shareholders and may determine whether that resolution will be considered at a convened shareholder meeting at which shareholders may vote or by written consent in terms of section 60 of the Act. The Board has resolved that the Resolutions as proposed in the Circular, being those resolutions set out in Annexure 1 to the Circular, be considered by Shareholders by written consent in terms of section 60 of the Act.

Section 60 of the Act provides that a resolution that could be voted on at a shareholders' meeting may, instead, be voted on in writing by shareholders entitled to exercise voting rights in relation to the resolution, within 20 (twenty) Business Days after the resolution was submitted to them.

Notwithstanding the aforesaid, the Resolutions will be adopted as soon as the voting rights exercised in favour thereof equal the requisite majority of all voting rights for such resolution to be passed, even though the abovementioned 20 (twenty) Business Day period may not yet have elapsed.

CONVERSION OF ORDINARY SHARES WITH PAR VALUE TO ORDINARY SHARES WITH NO PAR VALUE AND AN INCREASE IN THE AUTHORISED SHARES

Section 35(2) of the Act provides that shares do not have a nominal or par value. Although existing companies with par value shares may continue to issue their authorised but unissued par value shares, a company may not increase its authorised share capital by the creation of additional par value shares.

The entire authorised and issued share capital of Purple Group currently comprises Ordinary Shares with a par value of one cent each. In order to place the Company in a position to authorise additional Ordinary Shares in future, the Board proposes that Shareholders approve the conversion of all 1 200 000 000 (1.2 Billion) Ordinary Shares with a par value of one cent each into 1 200 000 000 (1.2 Billion) Ordinary Shares of no-par value.

In accordance with regulation 31(7) of the Regulations, the Board has prepared a report, attached to the Circular as Annexure 2, a copy of which will be filed with CIPC and the South African Revenue Service. The report, *inter alia*, sets out the material effects that the proposed conversion will have on the rights of Shareholders.

The Company's current authorised Shares are insufficient to give effect to upcoming transactions already approved by Shareholders.

Consequently, the Board proposes an increase in the number of authorised Shares from 1 200 000 000 (1.2 Billion) Shares to 2 000 000 000 (2 Billion) Shares.

The regulatory approval required from the JSE to convert the ordinary shares with par value to ordinary shares without par value and the subsequent increase in authorised shares, have been obtained.

POSTING OF THE CIRCULAR AND NOTICE IN TERMS OF SECTION 60 OF THE COMPANIES ACT

Shareholders are hereby advised that the Circular has been distributed to Shareholders today. The Circular incorporates the proposed resolutions to be adopted in terms of Section 60(1) of the Companies Act as well as a Form of Written Consent (Blue).

The Circular is also available on the Purple's website: www.purplegroup.co.za/our-financials.

1. IMPORTANT DATES AND TIMES

2020

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| Record date to determine which Shareholders are entitled to receive this Circular and to vote on the Resolutions | Friday, 18 September |
| Circular posted to Shareholders on | Friday, 25 September |
| Announcement regarding the posting of this Circular and availability on website published on SENS | Friday, 25 September |
| Deemed date of receipt of this Circular (the 7 th calendar day following the day on which this Circular was posted as recorded by a post office) | Friday, 02 October |
| In respect of Certificated Shareholders and Dematerialised Shareholders with "own name" registration, the last day to return Forms of Written Consent in respect of the Resolutions to the Transfer Secretary by no later than 17:00 on | Friday, 30 October |
| In respect of Dematerialised Shareholders, the last day to furnish their respective CSDP or Broker with their instructions for voting in respect of the proposed Resolutions by no later than 17:00 on | Friday, 30 October |
| Results of the Section 60 votes published on SENS on | Monday, 02 November |
| The statement of results of the Resolutions in terms of section 60(4) of the Companies Act distributed by no later than | Monday, 16 November |

Notes:

1. The above dates and times are South African and are subject to change. Any changes will be notified on SENS.
2. Purple shareholders are referred to page 5 of the Circular for information on the action required to be taken by them.
3. The Form of Written Consent must only be used by Certificated Shareholders or Dematerialised Shareholders with "own name" registration.
4. Documentary evidence establishing the authority of a person signing this form of consent in a representative capacity must be attached to this Form of Written Consent, unless previously recorded by the Transfer Secretary.
5. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Transfer Secretary.
6. Any alteration or correction made to this Form of Written Consent must be initialised by the signatory/ies.

7. Forms of Written Consent must be completed and delivered to the Transfer Secretary, so as to be received by the Transfer Secretary by not later than 17:00 on Friday, 30 October 2020 in one of the following ways:

By Hand or Courier

4 Africa Exchange Registry Proprietary Limited
(Registration number: 2016/396777/07)
Hill on Empire
Building A, 4th Floor
16 Empire Road
Parktown
2193

By Email

Purple@4axregistry.co.za

By Post

Postnet Suite 293
Private Bag X30500
Houghton
2041

8. Forms of Written Consent not received by the Transfer Secretary by 17:00 on Friday, 30 October 2020 will be disregarded.

Johannesburg

25 September 2020

Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd

Company and Transfer Secretaries: 4 Africa Exchange Registry Proprietary Limited