

TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration No 1955/002869/06)

Share Code: TRE

ISIN: ZAE000007506

("Trencor")

#### UPDATE ON INDEMNITIES AND PROPOSED DECLARATION OF SPECIAL CASH DIVIDEND

In Trencor's commentary to its unaudited interim results for the six months ended 30 June 2020, published on the Stock Exchange News Service on 17 August 2020, reference was made to ongoing discussions regarding the potential curtailment of the periods and/or amounts committed to under the respective indemnities described in that report. This announcement serves to update shareholders on subsequent developments in this regard.

Trencor has now been advised by TAC Limited ("TAC") that it has successfully completed a transaction with Textainer Limited for the total release of TAC from all warranties, representations and indemnities given by TAC in respect of the sale of its subsidiary, Leased Assets Pool Company Limited ("LAPCO"), and for the early release (previously scheduled for 30 June 2021) of the US\$16,6 million lodged in escrow in support thereof, in exchange for a consideration to Textainer Limited of two percent of the principal amount in escrow. The net funds released from escrow have been received by TAC, and thus would no longer be classified as restricted cash but rather as cash and cash equivalents. This release will obviate the need to report on this indemnity in Trencor's future results.

TAC has advised Trencor that the net funds so received, amounting to approximately US\$16,3 million, have been declared as a dividend to Trencor on 24 September 2020. Now that these funds have become commercially available, shareholders are advised that the Trencor board in turn intends, upon receipt of the dividend from TAC and subject to obtaining the required regulatory approvals for a special dividend from the South African Reserve Bank and JSE Limited, to declare and distribute the Rand equivalent amount to its shareholders by way of a special cash dividend. Upon receipt of such approvals, the Trencor board will declare the dividend and provide salient dates pertaining to the payment of this special cash dividend by way of a further announcement.

In respect of the indemnity in relation to Halco Holdings Inc's ("Halco") mislaid Textainer Group Holdings Limited ("TGH") share certificates, provided to, *inter alia*, Computershare Trust Company, N.A. and Computershare Inc (collectively "Computershare") by Trencor, jointly with Textainer and Halco, and with Trencor counter-indemnified by TGH against any liability under such joint indemnity, shareholders are advised that the relevant mislaid share certificates have been located. The process with Computershare for the formal release of the indemnitors from this indemnity is underway. Shareholders are reminded that no cash resources had been earmarked against this indemnity and hence such release will not make available additional cash for distribution. However, once finalised, the release will obviate the need to report on this indemnity and counter-indemnity in Trencor's future results.

Regarding the Halco Trust indemnity and related escrow arrangements, discussions continue with the Halco indemnitees but there has not been any change to the position as last reported.

Trencor Services Proprietary Limited  
Secretaries

28 September 2020

Sponsor: Investec Bank Limited  
[www.trencor.net](http://www.trencor.net)