

AFRISTRAT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013215/06

JSE Code: ATI - ISIN: ZAE000287587

Debt Issuer Code: ATID

Hybrid Issuer Code: ATIG

("Afristrat" or "the Company")



RELATED PARTY ACQUISITION OF MHMK FINANCIAL SERVICES LIMITED: NOTICE OF GENERAL MEETING AND DISTRIBUTION OF CIRCULAR

1. INTRODUCTION

- 1.1. Shareholders are referred to the announcements released on SENS on Tuesday, 18 May 2021 and Friday, 15 October 2021 ("**Announcements**") relating *inter alia* to the proposed acquisition by Afristrat of MHMK Financial Services Limited, a share consolidation and the implementation of an employee share scheme (together, "**Proposed Transaction**").
- 1.2. Unless expressly defined in this announcement, capitalised terms herein have the meaning given to them in the Announcements.

2. DISTRIBUTION OF CIRCULAR AND NOTICE OF GENERAL MEETING

- 2.1. A circular detailing the Proposed Transaction ("**Circular**") has today been distributed to the preference and ordinary shareholders of Afristrat, that were recorded as such on the shareholders' register of the Company ("**Register**") as at Friday, 3 December 2021. The Circular also incorporates a notice convening a general meeting ("**General Meeting**") of Afristrat ordinary shareholders ("**Ordinary Shareholders**").
- 2.2. Accordingly, notice is hereby given that the General Meeting will be held at 10:00 on Thursday, 10 February 2022, conducted entirely by electronic communication as contemplated in section 63(2)(a) of the Companies Act, the JSE Listings Requirements and the Memorandum of Incorporation of the Company ("**MOI**") to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions contained in the notice of General Meeting ("**Notice**") required to implement the Proposed Transaction ("**Resolutions**").
- 2.3. The Circular is also available on Afristrat's website at: <https://afristrat.ltd/investor-relations/>

3. SHARE CONSOLIDATION

- 3.1. The authorised and issued ordinary share capital of Afristrat will be consolidated on the basis of 1 for 120, meaning that every 120 Shares will be consolidated into one Share ("**Share Consolidation**"), subject to the approval of the Resolutions contained in the Notice relating to the:
 - 3.1.1. Share Consolidation; and
 - 3.1.2. amendments to the MOI,by the requisite majority of Ordinary Shareholders.
- 3.2. In implementing the Share Consolidation, the Company is required by the JSE to apply the rounding principle, that is, an Ordinary Shareholder becoming entitled to a fraction of a share arising from the Share Consolidation will be rounded down to the nearest whole number, resulting in allocations of whole ordinary shares and a cash payment for the fraction.
- 3.3. The value of such cash payment will be the volume weighted average price discounted by 10% on day immediately following the Share Consolidation last day to trade, which is anticipated to occur on Wednesday, 6 April 2022 in accordance with the timetable set out in paragraph 5 below.
- 3.4. The fractional cash payment will not incur Dividend Withholding Tax.

4. EMPLOYEE SHARE SCHEME – THE 2021 ESOP

- 4.1. As part of the Sale of Shares Agreement entered into between the Company and the GM Trust, the GM Trust requires, and the Board proposes to establish, an employee share scheme, namely the "**2021 ESOP**", further details of which are contained in the Circular.
- 4.2. The purpose of the 2021 ESOP is to attract, motivate, reward and retain persons who are able to influence the performance of the Group on a basis which aligns their interests with those of the Ordinary Shareholders.
- 4.3. The implementation of the 2021 ESOP is subject to the approval of the relevant Resolutions set out in the Notice by the requisite majority of Ordinary Shareholders.

5. IMPORTANT DATES AND TIMES

- 5.1. Shareholders are referred to the table below setting out the salient dates and times in relation to the Proposed Transaction.
- 5.2. Capitalised terms used in this paragraph 5 that are not otherwise defined, bear the meanings ascribed to them in the Circular.

2021	
Record date to determine which Ordinary Shareholders and Preference Shareholders are eligible to receive the Circular on ¹	Friday, 3 December
Circular distributed to Ordinary Shareholders and Preference Shareholders and notice convening the General Meeting of Ordinary Shareholders announced on SENS on ¹	Monday, 13 December
Notice of General Meeting published in the press on	Tuesday, 14 December
2022	
LDT in order to be eligible to participate in and vote at the General Meeting	Tuesday, 1 February
Voting Record Date	Friday, 4 February
Receipt of Forms of Proxy (<i>yellow</i>) by 10:00 ³	Tuesday, 8 February
General Meeting to be held at 10:00 on	Thursday, 10 February
Results of the General Meeting released on SENS on	Thursday, 10 February
Results of the General Meeting published in the press on	Friday, 11 February
Special Resolutions expected to be registered with CIPC by no later than	Friday, 18 March
Release of finalisation announcement in respect of the Share Consolidation by no later than 11:00 on	Tuesday, 22 March
Share Consolidation LDT under the present share capital prior to the consolidation	Tuesday, 5 April
Trading in Ordinary Shares under the new consolidated share capital with ISIN ZAE000287587 commences on	Wednesday, 6 April
Announcement of fraction rate to be released on SENS in respect of the cash payment applicable to fractional entitlements, based on the VWAP of consolidated Ordinary Shares traded on Wednesday, 6 April 2022, less 10% by 11:00 on	Thursday, 7 April
Share Consolidation Record Date on	Friday, 8 April
Forms of Surrender (<i>green</i>) for new Ordinary Share certificates to be received by the Transfer Secretaries in order for previously Certificated Ordinary Shareholders to have their entitlements credited to their account with Computershare Nominees on Monday, 11 April 2022, by 12:00 on	Friday, 8 April
Date that previously Certificated Ordinary Shareholders will have their entitlements credited to their account within Computershare nominees and update of Dematerialised Ordinary Shareholders' accounts together with the fraction payments with their CSDP and brokers on	Monday, 11 April

Notes:

1. In accordance with the MOI: (i) the Circular is required to be distributed to both Ordinary Shareholders and Preference Shareholders; and (ii) the Preference Shareholders are not entitled to attend and participate in the General Meeting.
2. The above dates and times are subject to amendment. Any such amendment will be released on SENS.
3. Completed Forms of Proxy (*yellow*) and the authority (if any) under which they are signed must be: (i) lodged with or posted to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to: proxy@computershare.co.za, to be received by them no later than 10:00 on Tuesday, 8 February 2022; or (ii) thereafter handed to the chairman of the General Meeting or Computershare at the General Meeting at any time before the proxy exercises any rights of the Ordinary Shareholder at such General Meeting.
4. Ordinary Shareholders should note that, as trade in Ordinary Shares on the Exchange is settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after the date of such trades. Therefore, Ordinary Shareholders who acquire Ordinary Shares on the JSE after the voting LDT, being the last day to trade in Ordinary Shares so as to be recorded in the Register on the Voting Record Date, will not be entitled to participate in the General Meeting.
5. Dematerialised Ordinary Shareholders, other than those with Own-Name Registration, must provide their Central Securities Depository Participant ("CSDP") or broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their CSDP or broker in terms of their respective Custody Agreements between them and their CSDP or broker.
6. No Dematerialisation or rematerialisation of Ordinary Shares may take place from Wednesday, 6 April 2022 and Friday, 8 April 2022, both days inclusive.
7. If the General Meeting is adjourned or postponed, the above dates and times will change, but the Forms of Proxy (*yellow*) submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
8. Although the salient dates and times are stated to be subject to change, such statement shall not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act, the Companies Regulations and the Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
9. All times referred to in this announcement are references to South African Standard Time.

6. TAX IMPLICATIONS FOR SHAREHOLDERS

- 6.1. The tax position of an Ordinary Shareholder under the Proposed Transaction is dependent on such Ordinary Shareholder's individual circumstances. Any Ordinary Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

7. FOREIGN SHAREHOLDERS

It is the responsibility of foreign Ordinary Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Proposed Transaction, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. If any foreign Ordinary Shareholder is in any doubt as to what action to take, they are advised to consult their CSDP, broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor immediately.

13 December 2021

Pretoria

Sponsor

Merchantec Capital

Corporate Advisor

YW Capital

Legal Advisor
Webber Wentzel