

## **CAPITEC BANK HOLDINGS LIMITED**

Registration number 1999/025903/06  
Incorporated in the Republic of South Africa  
Registered bank controlling company  
Ordinary share code: CPI, ISIN: ZAE000035861  
Preference share code: CPIP, ISIN: ZAE000083838  
("Capitec" or "the Company")



## **CAPITEC BANK LIMITED**

Registration number 1980/003695/06  
Incorporated in the Republic of South Africa  
Registered bank  
Company code: BICAP  
Stock Code: CBL29, ISIN: ZAG000158874  
Stock Code: CBL30, ISIN: ZAG000180977  
("Capitec Bank")

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## **DISTRIBUTION OF CIRCULAR AND NOTICE OF GENERAL MEETING**

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Shareholders are referred to the Stock Exchange News Service ("**SENS**") announcement published on 19 January 2022, regarding a broad-based black economic empowerment transaction involving a specific issue of shares for cash to participating employees ("**Specific Issue**").

### **The Specific Issue**

Capitec wishes, apart from improving its broad-based black economic empowerment ownership status, to reward employees for their hard work over the past 3 years. Over the past 2 years specifically, Capitec employees have put in an extraordinary effort to ensure that Capitec continued to meet the financial service needs of our clients despite the severe impact of the COVID-19 pandemic. The announcement of the Specific Issue has been met with enthusiasm by employees who are excited to own Capitec shares and share in the continued success of the Company going forward.

All permanent employees who have been employed by Capitec from at least 1 January 2019 can participate in the Specific Issue. 8 341 (78%) of these employees serve our clients in our 852 nationally distributed branches and 2 call centres. Only 723 (7%) form part of top, middle and senior management, and executives and directors are precluded from participating. Approximately 90% of the eligible employees are Black people as defined by legislation. Employees that participate in the Specific Issue will be restricted from selling the shares for 5 years. The allocation of shares to employees who participate will be equal irrespective of seniority. Employees who have been employed by Capitec for at least 5 years will receive an additional share allocation of 15% and Black people, as defined by legislation, will receive an additional share allocation of 15%.

The following should be noted regarding the announcement relating to the Specific Issue published on SENS on 19 January 2022 ("**Announcement**"):

- The proposed transaction will result in the fresh issue of R1 000 000 000 in shares at a 50% discount. The number of shares to be issued will be determined by using the opening share price on the Johannesburg Stock Exchange on 22 February 2022 ("**Opening Price**"). For illustrative purposes, an Opening Price of R2 000 will increase

the number of shares in issue by 0.43%. No more than 625 000 new Capitec shares will be issued, meaning that the maximum increase in the number of shares in issue would be limited to 0.54%.

- The issue of the Shares is subject to the approval of Capitec's shareholders.
- In compliance with the JSE Listings Requirements, the *pro forma* financial effects reflected in the Announcement are based on the financial results for the 6 months ended 31 August 2021. The approximate 13% dilution in earnings reflects the full impact of the Specific Issue on only 6 months of historical earnings. If the *pro forma* financial effects could have been based on earnings for a full year the dilution would be a considerably lower percentage.
- The impact of the Specific Issue on earnings will be a once-off event and will only affect earnings for the 2022 financial year.
- The expected impact on earnings resulting from the Specific Issue was considered in the information disclosed in the trading statement published on SENS on 15 December 2021.

Shareholders are advised that the circular ("**Circular**"), detailing the Specific Issue, was distributed to shareholders today, Monday, 24 January 2022. The Circular incorporates a notice convening a general meeting for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions for approval of the Specific Issue and related matters detailed in such notice ("**General Meeting**").

Notice is hereby given that the General Meeting will be held at 14:00 on Tuesday, 22 February 2022, entirely by electronic communication, to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions required for the Specific Issue.

The Circular is available in English only. Copies may be obtained during normal business hours from the registered office of the Company and from the offices of the Company's sponsor, PSG Capital, from Monday, 24 January 2022 until Tuesday, 22 February 2022 (both days inclusive). A copy of the Circular will also be available on the Company's website ([www.capitecbank.co.za](http://www.capitecbank.co.za)).

## IMPORTANT DATES AND TIMES

Shareholders are referred to the table below setting out important dates and times in relation to the General Meeting and the Specific Issue. Capitalised terms used below, but not defined shall bear the meanings ascribed thereto in the Circular.

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	<b>2022</b>
Record date to determine which Shareholders are eligible to receive this Circular	Friday, 14 January
Circular (including the Notice of General Meeting) distributed to Shareholders on	Monday, 24 January
Announcement regarding the distribution of the Circular and Notice of General Meeting released on SENS on	Monday, 24 January
Announcement regarding the distribution of the Circular and Notice of General Meeting published in the South African press on	Tuesday, 25 January
Last day to trade in the Shares in order to be eligible to attend, participate in and vote at the General Meeting on	Tuesday, 8 February
Record date for Shareholders to be recorded in the Register in order to be eligible to attend, participate in and vote at the General Meeting (" <b>Record Date</b> ")	Friday, 11 February
For administrative purposes, Forms of Proxy to be lodged at the Transfer Secretaries by 14:00 on	Friday, 18 February
Forms of Proxy not lodged timeously with the Transfer Secretaries, to be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) before the appointed proxy exercises the Shareholder's rights at the General Meeting on	Tuesday, 22 February
General Meeting to be held electronically only at 14:00 on	Tuesday, 22 February
Results of General Meeting released on SENS on	Tuesday, 22 February
Results of General Meeting published in the South African press on	Wednesday, 23 February
If the Specific Issue is approved by Shareholders at the General Meeting:	
Expected date for the listing of the Specific Issue Shares on the Main Board of the JSE on	Monday, 28 February

### Notes:

1. All of the dates and times set out above are expected dates and times and have been determined based on certain assumptions regarding the date by which conditions

precedent will be fulfilled or waived and are therefore subject to change. Any changes made will be published to Shareholders by release on SENS.

2. Shareholders should note that, as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, persons who acquire Shares after the last day to trade in order to be eligible to vote at the General Meeting, namely, Tuesday, 8 February 2022, will not be able to attend, participate or vote thereat.
3. A Shareholder may email the Form of Proxy (*blue*) annexed to the Circular to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting), subject to the Transfer Secretaries verifying the Form of Proxy (*blue*) and proof of identification of the Shareholder before the Shareholder's rights are exercised at the General Meeting (or any adjournment of the General Meeting).
4. Dematerialised Shareholders, other than Own-Name Dematerialised Shareholders, must provide their 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 the Custody Agreement between them and their CSDP or Broker.
5. No dematerialisation or rematerialisation of Shares may take place between the commencement of business on Wednesday, 9 February 2022 and the Record Date, both days inclusive.
6. If the General Meeting is adjourned or postponed, Forms of Proxy (*blue*) submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement.
7. All times set out above are local times in South Africa.

Shareholders are referred to the section of the Circular entitled "*Action Required by Shareholders*" for further information regarding the action required, should they wish to attend, participate and/or vote at the general meeting.

Stellenbosch  
24 January 2022

**Corporate Advisor and  
JSE Equity and Debt  
Sponsor**

**PSG Capital**



**Attorneys**

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