

Rand Merchant Investment Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2010/005770/06)
ISIN: ZAE000210688
Share code: RMI
(**RMI** or the **Company**)

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DECLARATION ANNOUNCEMENT: UNBUNDLING BY RMI OF ITS SHAREHOLDINGS IN DISCOVERY LIMITED AND MOMENTUM METROPOLITAN HOLDINGS LIMITED

1. INTRODUCTION

Shareholders of RMI (**RMI Shareholders**) are referred to the announcement published on the Stock Exchange News Service (**SENS**) on 20 September 2021 (**Restructure Announcement**), wherein RMI Shareholders were advised that the board of directors of RMI (the **RMI Board**) had resolved, subject to the fulfilment of all conditions precedent customary to transactions of this nature, to restructure RMI's portfolio, which restructure would comprise the following indivisible elements:

- the distribution of all the shares held by RMI in Discovery Limited (**Discovery**) and Momentum Metropolitan Holdings Limited (**Momentum Metropolitan**), to RMI Shareholders (the **Unbundling**); and
- an equity raise of up to R6.5 billion by way of a *pro rata* rights issue by RMI (**Rights Issue**).

RMI announced on 8 December 2021, that it had implemented the sale of RMI's indirectly held interest of 30% of the issued shares in Hastings Group (Consolidated) Limited (**Hastings**) (the **Sale**). The gross proceeds from the Sale has negated the requirement for a Rights Issue as originally contemplated in the Restructure Announcement. Consequently, the RMI Board has resolved to exercise its right, in its discretion, to amend the elements of the proposed restructure of RMI's portfolio and RMI will no longer be proceeding with the Rights Issue. The Sale, however, had no impact on the Unbundling.

The implementation of the Unbundling is subject to the fulfilment of customary conditions precedent for transactions of this nature, such as obtaining the requisite regulatory approvals, the last of which is expected to be obtained, and all conditions precedent consequently fulfilled by Friday, 8 April 2022. The purpose of this announcement is to provide RMI Shareholders with declaration information on the implementation of the Unbundling in accordance with the JSE Listings Requirements.

This announcement is subject to the important disclaimers at the end hereof. This announcement comprises the formal transaction announcement in respect of the Unbundling and is intended to provide RMI Shareholders with the full terms of the Unbundling. No further documents or circulars will be published in respect of the Unbundling. Prior to any RMI Shareholder taking any action in respect of the Unbundling,

RMI Shareholders are advised to carefully consider the contents of this announcement in full, including the information incorporated herein by reference, and to only take action after having done so. If you are in doubt of what action you should take in respect of the Unbundling, please consult your broker, banker, legal adviser, CSDP or other professional adviser immediately.

2. IN SPECIE DISTRIBUTION DECLARATION

Subject to the fulfilment of the outstanding conditions precedent, pursuant to the Unbundling by way of a *pro rata* distribution *in specie* in terms of section 46(1)(a)(ii) of the Companies Act No. 71 of 2008, as amended (**Companies Act**) and section 46 of the Income Tax Act of 1962, as amended (**Income Tax Act**), RMI will unbundle:

- 167,242,590 Discovery shares (**Unbundled Discovery Shares**), comprising 25.0% of the issued ordinary share capital of Discovery; and
- 401,048,075 Momentum Metropolitan shares (**Unbundled Momentum Metropolitan Shares**), comprising 26.8% of the issued ordinary share capital of Momentum Metropolitan.

The RMI Board has resolved to implement the Unbundling, subject to the fulfilment of the outstanding conditions precedent, in accordance with the provisions of RMI's memorandum of incorporation and the expected salient dates and times set out in paragraph 4 below.

Subject to the terms and conditions set out herein, including the restrictions, each RMI Shareholder is expected to receive the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares (which are listed on the Johannesburg Stock Exchange), as a *pro rata* payment in terms of paragraph 5.85(b) of the JSE Listings Requirements, in the distribution entitlement ratios illustrated below:

For every 100 RMI shares => 10.91799 Unbundled Discovery Shares

Share code: DSY

ISIN: ZAE000022331

For every 100 RMI shares => 26.18136 Unbundled Momentum Metropolitan Shares

Share code: MTM

ISIN: ZAE000269890

RMI Shareholders holding less than 100 RMI shares, or not holding a whole multiple of 100 RMI shares, will be entitled to receive such proportionate number of Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares in respect of such holding, as determined in accordance with the above distribution entitlement ratio.

RMI Shareholders who transfer or dispose of their RMI shares prior to the last day to trade RMI shares in order to participate in the Unbundling, currently expected to occur on Tuesday, 19 April 2022, will not participate in the Unbundling and will not receive the Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares.

The distribution of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares to RMI Shareholders in accordance with the respective distribution entitlement ratios set out above, could result in fractional entitlements for such RMI Shareholders. Further detail on the treatment of fractional entitlements is set out in paragraph 5 below.

The Unbundling will **NOT** involve an election on the part of RMI Shareholders including a cash election and, accordingly, no RMI Shareholders shall be entitled to elect to receive cash *in lieu* of their entitlement to receive the Unbundled Discovery Shares and/or the Unbundled Momentum Metropolitan Shares in terms of the Unbundling.

Following the implementation of the Unbundling, RMI, Discovery and Momentum Metropolitan will each remain listed on the Main Board of the Johannesburg Stock Exchange.

Shareholders are referred to RMI's unaudited interim results for the six months ended 31 December 2021 wherein it was announced that the RMI Board resolved to pay a special dividend of R2 175 million to RMI Shareholders. Shareholders are advised that any cash received by RMI pursuant to the dividend declared by Momentum Metropolitan and as announced in Momentum Metropolitan's unaudited interim results for the six months ended 31 December 2021 (as amended) will form part of the special dividend declared by the RMI Board.

3. RATIONALE FOR THE UNBUNDLING

The rationale for the Unbundling remains unchanged to that articulated in the Restructure Announcement and is to, *inter alia*:

- unlock material shareholder value through a reduction in the discount at which RMI trades to its underlying intrinsic value;
- create an efficient and agile corporate structure with regulatory robustness and structural alignment to RMI's strategy; and
- optimise the capital structure and enhance the dividend yield.

RMI Shareholders are referred to RMI's interim results announcement for the six months ended 31 December 2021, released on SENS on 16 March 2022, (**Interim Results Announcement**) for further information on the impact of the Unbundling on RMI including specifically the impact thereof on the financial results of RMI for the six months ended 31 December 2021.

Furthermore, RMI Shareholders are referred to paragraph 10 below for further information on each of RMI, Discovery and Momentum Metropolitan.

4. SALIENT DATES AND TIMES

Settlement of the Unbundling is expected to occur on Monday, 25 April 2022. Set out below are the indicative dates and times (South African standard time unless otherwise stated) applicable to the Unbundling.

Event	Date and time (2022)
Finalisation announcement in respect of the Unbundling is expected to be released on SENS on	Friday, 8 April
Last day to trade RMI shares in order to participate in the Unbundling	Tuesday, 19 April
RMI shares trade "ex" the entitlement to receive the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares on	Wednesday, 20 April
Announcement to be released by 11:00 a.m. on SENS in respect of: <ul style="list-style-type: none"> - the specified ratio in respect of the apportionment of base costs of RMI for taxation purposes; and - the value to be utilised in determining the cash payment due in respect of any fractional entitlements to the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares 	Thursday, 21 April
Record Date	Friday, 22 April
Implementation of Unbundling (Distribution Date) on	Monday, 25 April

RMI Shareholders' accounts at CSDP or broker updated and credited with the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares on

Monday, 25 April

Share certificates in respect of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares dispatched in South Africa at the risk of certificated RMI Shareholders on or about

Monday, 25 April

Notes:

1. The above dates and times are subject to change and/or amendment at the discretion of RMI, subject to the approval of the JSE, if required. Any such amendment will be published on SENS.
2. RMI Shareholders should anticipate their holdings of RMI shares on the record date for the Unbundling, currently expected to occur on Friday, 22 April 2022 ("**Record Date**") by taking into account all unsettled trades concluded on or before the last day to trade which are due to be settled on or before the Record Date.
3. There will be no rematerialisation or dematerialisation between Wednesday, 20 April 2022, and Friday, 22 April 2022, both days inclusive, as RMI's certificated register will be closed for this period.

5. FRACTIONAL ENTITLEMENTS AND CASH PROCEEDS

- 5.1 Applying the distribution entitlement ratios in the Unbundling, may result in fractional entitlements for RMI Shareholders to the Unbundled Discovery Shares and/or the Unbundled Momentum Metropolitan Shares. In accordance with the JSE Listings Requirements, such fractional entitlements will be rounded down to the nearest whole number and aggregated. The aggregated excess fractional entitlements to the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares to which an RMI Shareholder would otherwise be entitled will not be transferred to RMI Shareholders, but will instead be sold on behalf of and at the risk of the relevant RMI Shareholder in the market as soon as practicable after the Unbundling.
- 5.2 RMI Shareholders will accordingly be paid the cash proceeds (net of any applicable taxes (such as securities transfer tax) or costs) of the sale of the fractional entitlements to the Unbundled Discovery Shares and/or the Unbundled Momentum Metropolitan Shares, on the basis outlined below. In accordance with the JSE Listings Requirements, this amount will be determined with reference to the volume weighted average price in Rand of Discovery shares and Momentum Metropolitan shares traded on the Johannesburg Stock Exchange on Wednesday, 20 April 2022, being the first trading day "ex" the entitlement to participate in the Unbundling, reduced by 10% (**Cash Proceeds**).
- 5.3 The Cash Proceeds will be paid: (i) by RMI to the relevant registered certificated RMI Shareholders; and (ii) by a nominee or CSDP to the relevant RMI Shareholders that hold their RMI shares in uncertificated form within a nominee account or within a CSDP.
- 5.4 The actual price used to calculate the Cash Proceeds will be announced by RMI on SENS on Thursday, 21 April 2022.

6. PRO FORMA FINANCIAL EFFECTS OF THE UNBUNDLING

- 6.1 The summarised *pro forma* financial effects ("**pro forma financial effects**") of the Unbundling are the responsibility of the RMI Board, have not been reviewed or audited by RMI's external auditors, PricewaterhouseCoopers Inc., and have been prepared for illustrative purposes only to provide information about how the Unbundling may have affected RMI's interim results and financial position for the six months ended 31 December 2021 and, because of its nature, may not give a fair presentation of the RMI financial

position, changes in equity, results of operations or cash flows after the Unbundling nor the effect of the Unbundling on RMI's results of operations.

- 6.2 The *pro forma* financial effects have been prepared in a manner consistent in all respects with International Financial Reporting Standards (**IFRS**), the accounting policies adopted by RMI as at 31 December 2021, the SAICA Guide on *Pro Forma* Financial Information and the JSE Listings Requirements.
- 6.3 The financial results of Hastings, Discovery and Momentum Metropolitan were disclosed as profit from discontinued operations in the RMI group results for the six months ended 31 December 2021, with the comparative numbers for the six months ended 31 December 2020 and the year ended 30 June 2021 being restated to separately reflect the profit from discontinued operations. The results of Hastings were equity accounted until 8 December 2021, the effective date of the Sale. The results of Discovery and Momentum Metropolitan were also equity accounted until 8 December 2021, the date on which the Unbundling met the accounting definition of being highly probable, as the proceeds from the Sale were used to repay debt instead of raising capital by way of the Rights Issue.
- 6.4 The table below sets out the *pro forma* financial effects of the Unbundling as at 31 December 2021 and the assumptions used in the preparation thereof:

Cents per share	Before the Unbundling ⁽¹⁾	After the Unbundling ⁽²⁾	% change
Earnings per share (cents)	410.9	354.5	(14)
Headline earnings per share (cents)	109.8	43.6	(60)
Normalised earnings per share (cents)	125.5	60.9	(51)
Total shareholders' equity (R million)	33 651	13 634	(59)

Notes:

- As disclosed in RMI's published unaudited interim results for the six months ended 31 December 2021.
- The numbers after the Unbundling assume that the Unbundling had taken place on 1 July 2021. Therefore, these earnings, headline earnings and normalised earnings per share numbers do not include any equity accounted earnings from Discovery and Momentum Metropolitan for the six months ended 31 December 2021 and the total shareholders' equity excludes the group carrying value of the investments in Discovery and Momentum Metropolitan.

7. EXCHANGE CONTROL

This summary is based on the laws in force and applied in practice as at the date of this announcement and is subject to changes to those laws and practices subsequent to such date.

The following summary does not constitute advice, is intended as a guide only and is not a comprehensive statement of the applicable exchange control regulations. RMI Shareholders who have any queries regarding exchange control related matters should contact their own professional advisers without delay. The Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares are not freely transferable from the Common Monetary Area (defined below) and must be dealt with in terms of the South African Exchange Control Regulations, 1961 as amended (**Exchange Control Regulations**).

The concept of "emigration" as recognised by the Financial Surveillance Department of the South African Reserve Bank (**SARB**) is being phased out with effect from 1 March 2021 and is replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 and Circular 8/2021 dated 21 May 2021 set out the changes in relation to emigrants and changes to the Currency and Exchanges Manual for Authorised Dealers (**AD Manual**) with effect from 1 March 2021.

Until 28 February 2021, the Exchange Control Regulations read with the AD Manual distinguished between residents, non-residents and emigrants. As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who applied to be emigrants under the old framework, by obtaining a MP336(b) form that was attested by an authorised dealer on or before 28 February 2021, will be dealt with in terms of the exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021 provided their emigration applications were approved on or before 28 February 2021.

For the purposes of the Exchange Control Regulations:

- a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- a non-resident is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area, consisting of South Africa, Namibia and the Kingdoms of Lesotho and eSwatini (**CMA**); and
- an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area. For purposes of the Exchange Control Regulations read with the AD Manual, a South African resident will only be regarded as an emigrant if they placed their emigration on record with the SARB under the exchange control policy which applied up to 28 February 2021.

RMI Shareholders who are uncertain as to whether they are residents or non-residents or South African non-tax residents (emigrants) for purposes of the Exchange Control Regulations read with the AD Manual, are advised to approach their relevant Authorised Dealer to request confirmation.

7.1 Emigrants from the CMA

Any share certificates that may be issued by Discovery and/or Momentum Metropolitan in respect of the Unbundled Discovery Shares and/or the Unbundled Momentum Metropolitan Shares, as applicable, to emigrants from the CMA will be endorsed "non-resident" in accordance with the Exchange Control Regulations.

Uncertificated Unbundled Discovery Shares and uncertificated Unbundled Momentum Metropolitan Shares will be credited directly to an RMI Shareholder's emigrant share account at the CSDP or broker controlling its remaining portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. The CSDP or broker will ensure that the emigrant adheres to the Exchange Control Regulations.

Any Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares issued in certificated form, cash dividends and Cash Proceeds based on an emigrant's Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their assets. Elections by emigrants must be made through the authorised dealer in foreign exchange controlling their assets.

7.2 Residents outside of the CMA

Any share certificates that may be issued by Discovery and/or Momentum Metropolitan in respect of the Unbundled Discovery Shares and/or the Unbundled Momentum

Metropolitan Shares, as applicable, to non-residents of the CMA will be endorsed "non-resident" in accordance with the Exchange Control Regulations.

Uncertificated Unbundled Discovery Shares and uncertificated Unbundled Momentum Metropolitan Shares will be credited directly to an RMI Shareholder's non-resident share account at the CSDP or broker controlling its portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. The CSDP or broker will ensure that the non-resident adheres to the Exchange Control Regulations.

Cash dividends and Cash Proceeds due to non-residents are freely transferable from South Africa, subject to being converted into a currency other than Rand or paid for the credit of a non-resident Rand account.

8. TAX CONSIDERATIONS

- 8.1 This summary is a general and non-exhaustive commentary on certain South African tax consequences of the Unbundling and is intended to be used only as a general guide and does not constitute legal or tax advice nor is it intended to constitute a complete analysis of the tax consequences of the Unbundling. RMI and its advisers cannot be held responsible for the taxation consequences of the Unbundling and therefore, it is recommended that in order for an RMI Shareholder to obtain certainty on their tax position, they should consult an independent professional adviser immediately.

8.2 Certain South African tax considerations for RMI and the RMI Shareholders

The Unbundling will constitute a disposal by RMI of all of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares to the RMI Shareholders. It is expected that the disposal should qualify as an "unbundling" transaction as contemplated in section 46 of the Income Tax Act, which, subject to the considerations set out below, allows for a tax neutral implementation of the Unbundling from an income tax, capital gains tax (**CGT**), dividends tax and securities transfer tax (**STT**) perspective. A more detailed explanation of the application of section 46 of the Income Tax Act and some important considerations for RMI Shareholders are set out below:

Disposal of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares

- 8.2.1 RMI holds the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares as capital assets.
- 8.2.2 Subject to the application of section 46(7) of the Income Tax Act, the distribution of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares by RMI, in terms of the Unbundling, will be disregarded by RMI in determining its taxable income or assessed loss in the tax year that the Unbundling takes place.
- 8.2.3 If RMI distributes the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares to RMI Shareholders who constitute "disqualified persons" as contemplated in section 46(7) of the Income Tax Act, the Unbundling may attract tax (CGT) in the following instance:
- 8.2.3.1 where such RMI Shareholder(s) holds in excess of 5% of the RMI shares; and
- 8.2.3.2 the market value of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares exceed the tax cost / expenditure thereof.

For this purpose, a "disqualified person" is defined to include:

- 8.2.3.3 a person that is non-resident in South Africa;

- 8.2.3.4 the government of the Republic in the national, provincial or local sphere, contemplated in section 10(1)(a) of the Income Tax Act;
- 8.2.3.5 a public benefit organisation as defined and approved in terms of section 30 of the Income Tax Act;
- 8.2.3.6 a recreational club as defined and approved in terms of section 30A of the Income Tax Act;
- 8.2.3.7 a company or trust contemplated in section 37A of the Income Tax Act;
- 8.2.3.8 a fund contemplated in section 10(1)(d)(i) of (ii) of the Income Tax Act; or
- 8.2.3.9 a person contemplated in section 10(1)(cA) or (t) of the Income Tax Act.
- 8.2.4 RMI's expenditure in respect of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares is as follows:
 - 8.2.4.1 an average cost per share of R147.73 per Unbundled Discovery Share; and
 - 8.2.4.2 an average cost per share of R17.52 per Unbundled Momentum Metropolitan Share;
- 8.2.5 Consequently, if:
 - 8.2.5.1 an RMI Shareholder holds in excess of 5% of the RMI shares and is considered a "disqualified person"; and
 - 8.2.5.2 the market value of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, at the end of the day after the last day to trade, exceeds the expenditure set out in paragraph 8.2.4 above;

then RMI will realise a capital gain on the difference between the market value of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares and such expenditure.
- 8.2.6 The extent of the "disqualified person" shareholder (as referred to above) as at 25 February 2022 (the date of the latest combined share register of RMI available prior to issuing this announcement), is approximately 8.09% held by the Government Employees Pension Fund. To illustrate the impact of the "disqualified person" rules, if the Unbundling was implemented using the closing prices of Discovery Shares and Momentum Metropolitan Shares on 23 March 2022, RMI would realise a capital gain of R376.63 million on the Unbundled Discovery Shares and a capital loss of R0.65 million on the Unbundled Momentum Metropolitan Shares, calculated as follows:

Unbundled Discovery Shares

- 8.2.6.1 the market value of the Unbundled Discovery Shares; less
- 8.2.6.2 the average cost of the Unbundled Discovery Shares; multiplied by
- 8.2.6.3 8.09%.

Unbundled Momentum Metropolitan Shares

- 8.2.6.4 the market value of the Unbundled Momentum Metropolitan Shares; less
- 8.2.6.5 the average cost of the Unbundled Momentum Metropolitan Shares; multiplied by
- 8.2.6.6 8.09%.

- 8.2.7 The taxable capital gain as calculated above (80% of the net capital gain) will be included in RMI's taxable income and subject to tax in RMI's hands resulting in an estimated tax of R84.22 million being payable by RMI.
- 8.2.8 To the extent that RMI incurs tax in respect of the Unbundling as detailed above, the amount of the tax payable must be added to the expenditure to be allocated as between the RMI shares, the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares. This amount of tax will be allocated in the same ratio as the number of RMI shares held by an RMI Shareholder that acquires the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares in terms of the Unbundling bears to the number of all the RMI shares in issue immediately prior to the Unbundling.

RMI shares held as trading stock

- 8.2.9 Any RMI Shareholder holding RMI shares as trading stock will be deemed to acquire the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares as trading stock.
- 8.2.10 The RMI Shareholder must allocate a portion of the expenditure in respect of, and the market value of, the RMI shares to the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, respectively, and reduce the expenditure in respect of and the market value of the RMI shares.
- 8.2.11 The expenditure to be allocated to the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, respectively, will be determined by applying the ratio that the market value of Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, respectively, as at the end of the day after the last day to trade, bears to the sum of the market value, at the end of that day, of the RMI shares and the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares.
- 8.2.12 This allocation of expenditure to the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, respectively, will reduce the expenditure of the RMI shares held, thus allocating the expenditure between the RMI shares and the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares, respectively.

RMI shares held as capital assets

- 8.2.13 Any RMI Shareholder holding RMI shares as capital assets will be deemed to acquire the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares as capital assets.
- 8.2.14 The RMI Shareholder must allocate a portion of the expenditure in respect of and the market value of the RMI shares to the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares, respectively, and reduce the expenditure in respect of, and the market value of, the RMI shares.
- 8.2.15 The expenditure to be allocated to the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, respectively, will be determined by applying the ratio that the market value of Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, respectively, as at the end of the day after the last day to trade, bears to the sum of the market value, at the end of that day, of the RMI shares and the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares.

8.2.16 The expenditure (and CGT valuation, where applicable) so allocated to the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares, respectively, will reduce the expenditure (and CGT valuation, where applicable) of the RMI shares held, thus allocating this cost history between the RMI shares and the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares, respectively.

8.2.17 RMI Shareholders will be deemed to have acquired the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares on the date on which the RMI shares were originally acquired.

8.2.18 ***Dividends tax and returns of capital***

In terms of sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares must be disregarded in determining liability for dividends tax and must not be treated as a return of capital for the purposes of paragraph 76B of the Eighth Schedule to the Income Tax Act. To the extent that section 46(7) is applicable, the normal dividends tax rules will be applicable to determine if RMI or the disqualified person will be subject to dividends tax. If RMI is subject to dividends tax, the amount of the tax payable must also be added to the expenditure to be allocated as between the RMI shares, the Unbundled Discovery Shares and the Unbundled Momentum Share (see paragraph 8.2.7 above).

8.2.19 ***Securities transfer tax***

The distribution of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares to all RMI Shareholders will be exempt from the payment of any STT.

8.3 **Cost apportionment announcement**

RMI will advise the RMI Shareholders, by way of an announcement to be released on SENS on or about Thursday, 21 April 2022, of the expenditure to be added to their Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares. The allocated expenditure must be used in the determination of any profits or losses derived on any future disposals of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares or RMI shares.

8.4 **Disqualified person shareholder(s)**

The tax consequences outlined in paragraphs 8.2 and 8.3 above, may apply differently in respect of any RMI Shareholder who is considered a "*disqualified person*" for purposes of section 46(7) of the Income Tax Act.

8.5 **Certain US federal income tax considerations for US RMI Shareholders**

The following discussion describes certain US federal income tax consequences of the Unbundling to RMI Shareholders with a registered address in the United States (**US RMI Shareholders**). This discussion does not describe the tax consequences of the ownership and disposition of Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares received in the Unbundling, nor does it address the tax consequences of the continuing ownership and possible disposition of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares following the Unbundling.

US RMI Shareholders should note that RMI has not analysed, and has not sought any advice to determine (i) whether RMI is or was a "passive foreign investment company" (**PFIC**) for US federal income tax purposes for the current or any prior taxable year, (ii) whether the Unbundling could cause RMI to become a PFIC for the current or any future

taxable year as a result of RMI's expected focus solely on its business, and (iii) the PFIC status of Discovery and Momentum Metropolitan for the current or any future taxable year. If either RMI, Discovery or Momentum Metropolitan is a PFIC for any taxable year during which a US RMI Shareholder owns the relevant shares, such US RMI Shareholder generally will be subject to adverse tax consequences. For example, the US RMI Shareholder will generally be subject to increased tax liability on the disposition of, and receipt of certain distributions on, the relevant shares (possibly including the distribution of the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares pursuant to the Unbundling, if RMI is a PFIC or is treated as a PFIC with respect to such shareholder). In addition, the US RMI Shareholder will be subject to reporting requirements with respect to holding stock of a PFIC, and would have reporting obligations with respect to the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares to the extent Discovery and Momentum Metropolitan, respectively, are treated as PFICs in the year of distribution. US RMI Shareholders should consult their tax advisors regarding RMI, Discovery and Momentum Metropolitan's PFIC status (in the case of RMI, taking into account the effect of the Unbundling), the consequences of owning shares in a PFIC and the availability of any election under the PFIC rules.

In addition, this discussion does not describe specific tax consequences that may be relevant to a US shareholder in light of the shareholder's particular circumstances or differing tax consequences applicable to US Shareholders subject to special rules. Moreover, this discussion does not address any aspect of state, local or non-US taxation, or any US federal tax considerations other than income taxation.

The distribution of the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares (including fractional shares bundled for purposes of their sales for the benefit of RMI Shareholders) pursuant to the Unbundling will be taxable to RMI's US shareholders to the extent of RMI's current or accumulated earnings and profit, as determined under US federal income tax principles. Because RMI does not maintain calculations of its earnings and profits under US federal income tax principles, it is expected that the entire distribution will be reported as a taxable dividend. The amount of the dividend will equal the fair market value of the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares received and the Discovery and Momentum Metropolitan fractional shares allocable to the shareholder, determined in US dollars as of the date of the distribution. A US RMI Shareholder's basis in the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares received (including any fractional Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares allocable to such shareholder) will be equal to the fair market value of the shares on the date of distribution. A US RMI Shareholder's holding period in the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares will begin the date of the distribution.

Distributions of proceeds from the sale of fractional Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares pursuant to the Unbundling paid in Rand will be included in the income of a US RMI Shareholder in a US dollar amount calculated by reference to the exchange rate in effect on the day the distributions are received by the US RMI Shareholder, regardless of whether the Rand is converted into US dollars at that time. If dividends received in Rand are converted into US dollars on the day they are received, the US RMI Shareholder may not recognise foreign currency gain or loss in respect of the dividend income. US RMI Shareholders should consult their tax advisers as to the amount of any short-term capital gain or loss that may be recognized with respect to the receipt of proceeds from the sale of fractional Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares pursuant to the Unbundling (in addition to the dividend income recognised with respect to such fractional shares as described above).

Any dividend income will be foreign-source. US RMI Shareholders will not be eligible for the dividends-received deduction generally available to US corporations under the Internal Revenue Code of 1986, as amended. Non-corporate US RMI Shareholders should consult

their tax advisers as to whether any dividend income is eligible for the favourable rate applicable to “qualified dividend income” in general and in their particular circumstances. Non-US corporate shareholders should note, however, that the favourable rate will not apply if RMI is a PFIC (or is treated as a PFIC with respect to the US Shareholder) for RMI’s taxable year in which the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares are distributed or the preceding taxable year.

Distributions pursuant to the Unbundling paid to a US RMI Shareholder by a US paying agent or other US intermediary will be reported to the Internal Revenue Service and to the US RMI Shareholder as may be required under applicable regulations. Backup withholding may apply to these payments if the US RMI Shareholder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements.

The discussion above is general in nature and does not constitute tax advice. Accordingly, US RMI Shareholders are urged to consult their tax advisers concerning the US federal, state and local, and non-US RMI Shareholders tax consequences of the Unbundling and the receipt, ownership and disposition of Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares in their particular circumstances, including applicable reporting obligations with respect thereto.

8.6 Non-resident shareholders

Shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax adviser regarding the tax treatment of the Unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

8.7 Finalisation of the Unbundling may create a tax liability for RMI Shareholders in certain jurisdictions or give rise to other unanticipated tax consequences

Tax law and practice can be subject to differing interpretations and, in some jurisdictions, the tax authorities are entitled to exercise discretion in how the tax law should be applied in certain cases. Consequently, RMI is not able to guarantee that the tax authorities in each jurisdiction in which RMI Shareholders may be subject to tax will interpret or apply the relevant tax law and practice in a favourable way and this may give rise to adverse consequences.

RMI income tax reference number: 9469/826/16/9

RMI ordinary shares in issue as at the date of declaration of the Unbundling: 1 531 807 770.

9. Overseas RMI Shareholders

The following summary describes the restrictions applicable to RMI Shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa (**Overseas RMI Shareholders**), or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this announcement to a jurisdiction outside South Africa or who hold RMI shares for the account or benefit of any such Overseas RMI Shareholder. The Unbundling will be implemented as a *pro rata* distribution *in specie* for no consideration to all RMI Shareholders recorded as such in the register of RMI on the Record Date.

It is the responsibility of any Overseas RMI Shareholder (including, without limitation, nominees, agents and trustees for such persons) being notified by this announcement of the Unbundling and wishing to take up their entitlement to Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares to satisfy themselves as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite law, requirements or formalities and paying any issue, transfer or other taxes due in such territories.

Accordingly, persons (including, without limitation, nominees, agents and trustees) being notified in terms of this SENS announcement should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene applicable law or regulation including local securities laws or regulations. Any person who distributes this SENS announcement into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph. Overseas RMI Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

No action has been taken by RMI to obtain any approval, authorisation or exemption to permit the distribution of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares or the possession or distribution of this announcement in any jurisdiction other than South Africa.

The distribution of the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares to Overseas RMI Shareholders in terms of the Unbundling may be affected by the laws of such Overseas RMI Shareholders' relevant jurisdiction. Overseas RMI Shareholders should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to take up their entitlements with respect to the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares.

RMI reserves the right, but shall not be obliged, to treat as invalid any transfer of Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares in terms of the Unbundling, which appears to RMI or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction; or if RMI believes (in its discretion) or its agents believe that the same may violate applicable legal or regulatory requirements; or if RMI believes (in its discretion) that it is prohibited or unduly onerous or impractical to transfer the Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares to such Overseas RMI Shareholder in terms of the Unbundling.

If an Overseas RMI Shareholder is of the view that the transfer of the Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares in terms of the Unbundling to such Overseas RMI Shareholder may involve a breach of the securities laws or regulations or violate applicable legal or regulatory requirements, such Overseas RMI Shareholder must as soon as reasonably practicable notify their CSDP or broker of such fact or circumstance.

RMI shall be entitled (in its discretion), including in either of the aforementioned instances, to do all things necessary or desirable to ensure compliance with applicable law and/or regulation including selling the Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares that would otherwise have been transferred to the Overseas RMI Shareholder under the Unbundling on behalf of the Overseas RMI Shareholder and at their risk, with the net proceeds of such sale (after deduction of any applicable taxes which may in this instance include STT, withholdings or costs) to be paid to the Overseas RMI Shareholder. In this regard, the Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares may be aggregated and disposed of on the JSE in an orderly manner by the RMI transfer secretaries on behalf of and for the benefit of such Overseas RMI Shareholders as soon as is reasonably practical after the implementation of the Unbundling at the best price that can reasonably be obtained at the time of sale.

Please refer to the important disclaimers at the end of this announcement for additional information that may be applicable to certain Overseas RMI Shareholders.

10. FURTHER INFORMATION REGARDING RMI, DISCOVERY AND MOMENTUM METROPOLITAN

As set out in the Restructure Announcement, RMI's association with Discovery and Momentum Metropolitan (historically through its sister company RMH Holdings Limited and prior to the separate listing of the group's insurance businesses in 2011, which created RMI) dates from the early 1990s. After announcing the intention to implement the significant restructuring involving the

Unbundling in September 2021, RMI has been working with its management partners in these businesses to ensure a co-ordinated and managed process to enable the businesses to continue to focus on their core growth strategies, while providing more efficient ownership for RMI Shareholders.

10.1 RMI

RMI Shareholders are referred to the interim results announcement for the six months ended 31 December 2021 for further details on RMI's portfolio of assets following implementation of the Unbundling.

To access further information regarding RMI, RMI Shareholders are referred to the following documents, which are incorporated by reference into, and form part of, this announcement:

Reference document	Information incorporated by reference into this announcement
○ RMI's unaudited interim results for the six months ended 31 December 2021	○ All information in the reference document
○ RMI's integrated report for the financial year ended 30 June 2021	○ All information in the reference document
○ RMI's annual financial statements for the financial year ended 30 June 2021	○ All information in the reference document
○ RMI's annual financial statements for the financial year ended 30 June 2020	○ All information in the reference document
○ RMI's annual financial statements for the financial year ended 30 June 2019	○ All information in the reference document

Please note that electronic copies of all the above documents are available on RMI's website (<https://www.rmih.co.za/investor-relations>).

10.2 Discovery and Momentum Metropolitan

Discovery and Momentum Metropolitan are well-established businesses under the stewardship of leading management teams and board of directors. The businesses have demonstrated the resilience of their underlying operations over many years, and particularly over the course of the devastating Covid-19 pandemic. The Unbundling is expected to have no impact on the solvency positions of Discovery and Momentum Metropolitan.

Notwithstanding the above, RMI Shareholders should note that there may be additional factors and risks that RMI is not aware of, and/or that RMI currently considers immaterial based on the information available to it, in respect of Discovery and Momentum Metropolitan. Each RMI Shareholder is advised to consider such factors and risks carefully having regard to their own individual circumstances and, if in doubt, please consult your banker, legal adviser or other professional adviser.

To access further information regarding Discovery, RMI Shareholders are referred to the following documents, which are incorporated by reference into, and form part of, this announcement:

Reference document	Information incorporated by reference into this announcement
○ Discovery's unaudited interim results for the six months ended 31 December 2021	○ All information in the reference document
○ Discovery's integrated report for the financial year ended 30 June 2021	○ All information in the reference document

○ Discovery's annual financial statements for the financial year ended 30 June 2021	○ All information in the reference document
○ Discovery's annual financial statements for the financial year ended 30 June 2020	○ All information in the reference document
○ Discovery's annual financial statements for the financial year ended 30 June 2019	○ All information in the reference document
Please note that electronic copies of all the above documents are available on Discovery's website (https://www.discovery.co.za/corporate/investor-relations).	

To access further information regarding Momentum Metropolitan, RMI Shareholders are referred to the following documents, which are incorporated by reference into, and form part of, this announcement:

Reference document	Information incorporated by reference into this announcement
○ Momentum Metropolitan's unaudited interim results for the six months ended 31 December 2021 (as amended)	○ All information in the reference document
○ Momentum Metropolitan's integrated report for the financial year ended 30 June 2021	○ All information in the reference document
○ Momentum Metropolitan's annual financial statements for the financial year ended 30 June 2021	○ All information in the reference document
○ Momentum Metropolitan's annual financial statements for the financial year ended 30 June 2020	○ All information in the reference document
○ Momentum Metropolitan's annual financial statements for the financial year ended 30 June 2019	○ All information in the reference document
Please note that electronic copies of all the above documents are available on Momentum Metropolitan's website (https://www.momentummetropolitan.co.za/en/investor-relations/relations).	

25 March 2022

Sole financial adviser and JSE transaction sponsor:

Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities

South African Legal adviser:

Webber Wentzel

US and International Legal adviser:

Linklaters LLP

Disclaimers

Subject to any applicable law or regulations, RMI Shareholders should note that in the event that any difficulty arises in connection with the Unbundling, RMI may settle that difficulty as it, in its sole discretion, deems expedient.

The release, publication or distribution of this announcement in jurisdictions other than South Africa may be restricted by law and therefore persons into whose possession this announcement may come should inform themselves about, and observe, any such applicable restrictions or requirements. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws and regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the Company disclaims any responsibility or liability for the violation of any restrictions or requirements by any person.

This announcement is for information purposes only and is not, and should not be construed as to constitute, an offer to sell or the solicitation of an offer to buy securities and neither this document nor anything herein nor any copy thereof may be taken into or distributed, directly or indirectly, in or into any jurisdiction in which to do so would be prohibited by applicable law.

In South Africa, the information contained in this announcement does not constitute or form a part of any offer to the public for the sale of, or subscription for, or an invitation, advertisement or the solicitation of an offer to purchase and/or subscribe for, securities as defined in and/or contemplated by the Companies Act. Accordingly, this announcement does not, nor does it intend to, constitute a "registered prospectus" or an advertisement relating to an offer to the public, as contemplated by the Companies Act and no prospectus has been, or will be, filed with the South African Companies and Intellectual Property Commission in respect of this announcement.

Notice to US RMI Shareholders

This announcement is not an offer of any securities for sale in the United States. The Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares have not been and will not be registered under the US Securities Act of 1933 (**US Securities Act**), or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the United States at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the United States.

The Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares are expected to be distributed to RMI Shareholders by way of an unbundling constituting a transaction meeting the conditions of Staff Legal Bulletin No. 4 of the staff of the US Securities and Exchange Commission for "spin-off" transactions. All Overseas RMI Shareholders located in the US are therefore eligible to receive the Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares.

The Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. Neither RMI, Discovery nor Momentum intends to take any action to facilitate a market in the Unbundled Discovery Shares and/or Unbundled Momentum Metropolitan Shares in the United States. Consequently, it is unlikely that an active trading market in the United States will develop for the Unbundled Discovery Shares or the Unbundled Momentum Metropolitan Shares.

The Unbundled Discovery Shares and Unbundled Momentum Metropolitan Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the Unbundling or the accuracy or the adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

RMI Shareholders with a registered address in the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Unbundling in their particular circumstances.

Notice to RMI Shareholders located in Canada

This announcement does not constitute an offer for the sale or distribution of any Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares in Canada. All RMI Shareholders located in Canada will not receive any Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares and will be dealt on the basis outlined in paragraph 7 above.

Notice to RMI Shareholders in the European Economic Area (EEA) and the UK

This announcement is not a prospectus, as such term is defined in the Prospectus Regulation (EU) 2017/1129, on the basis that the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares are not being admitted to trading on a regulated market situated or operating within the EEA or the UK. Accordingly, any person making or intending to make any offer for Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares should do so in circumstances in which no obligation arises for RMI, Discovery or Momentum Metropolitan to produce a prospectus for such offer. None of RMI, Discovery or Momentum Metropolitan has authorised the making of any offer of Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares through any financial intermediary.

Notice to RMI Shareholders located in Australia

The Unbundling is not regulated by the fundraising provisions of the Australian Corporations Act 2001 (Cth). Accordingly, this announcement is not a prospectus and has not been lodged with or reviewed by the Australian Securities and Investments commission.

The Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares have not been and will not be quoted on ASX Limited or any other Australian securities exchange. None of RMI, Discovery, or Momentum Metropolitan intends to take any action to facilitate a market in the Unbundled Discovery Shares or the Unbundled Momentum Metropolitan Shares in Australia. Consequently, it is unlikely that an active trading market in Australia will develop for the Unbundled Discovery Shares or the Unbundled Momentum Metropolitan Shares.

Notice to RMI Shareholders located in Japan

This announcement does not and will not constitute or form part of, or be construed as, an offer, invitation or recommendation to purchase, sell or subscribe for any securities in Japan or solicitation of any offer to purchase, sell or subscribe for any securities in Japan. The Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended).

Notice to RMI Shareholders in Switzerland

No Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares may be offered, sold or advertised directly or indirectly into or in Switzerland except in a manner that will not result in a public offering within the meaning of Article 652a or 1156 of the Swiss Code of Obligations. This announcement has not been prepared with regard to the disclosure standards for prospectuses under Article 652a or 1156 of the Swiss Code of Obligations, the listing rules of SIX Swiss Exchange or similar rules of other Swiss trading venues, and therefore does not constitute a prospectus within the meaning of Article 652a or 1156 of the Swiss Code of Obligations, the listing rules of SIX Swiss Exchange or similar rules of other Swiss trading venues. This announcement may not be distributed, published or otherwise made available in Switzerland except in a manner that will not constitute a public offering of the Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares.

Notice to RMI Shareholders in South Korea

The Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of South Korea and the regulations thereunder (**FISCOMA**). Accordingly, the Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares may not be offered, sold, delivered or transferred, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident of South Korea

(as defined in FISCMA) except as otherwise permitted under applicable South Korean laws and regulations.

Notice to RMI Shareholders in the People's Republic of China (PRC)

This announcement does not constitute a public offer of Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares, whether by way of sale or subscription, in the PRC. Except to the extent consistent with applicable laws and regulations in the PRC. The Unbundled Discovery Shares and the Unbundled Momentum Metropolitan Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulations in the PRC, with the exception to the extent consistent with applicable regulations in the PRC, Unbundled Discovery Shares or Unbundled Momentum Metropolitan Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any jurisdiction other than the PRC.

General

The information contained in this announcement constitutes factual information as contemplated in Section 1(3)(a) of the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended (**FAIS Act**) and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the RMI shares or in relation to the business or future investments of RMI, is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing contained in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. RMI is not a financial services provider licensed as such under the FAIS Act.

Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities, which is regulated by the Johannesburg Stock Exchange, which exchange is regulated by the Financial Sector Conduct Authority, is providing strategic financial advice and is acting as JSE transaction sponsor to RMI and no one else in connection with the Unbundling and will not be responsible to anyone other than RMI for providing the protections afforded to its clients, nor for providing advice in relation to the Unbundling or any other matter or arrangement referred to in this announcement.

No representation or warranty, express or implied, is made or given, and no responsibility is accepted, by or on behalf of the financial adviser or any of its affiliates or any of its directors, officers or employees or any other person, as to the accuracy, completeness, fairness or verification of the information or opinions contained in this announcement and nothing contained in this announcement is, or shall be relied upon as, a promise or representation by the financial adviser or any of its affiliates as to the past or future. Accordingly, the financial adviser and its affiliates and directors, officers and employees disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or that they might otherwise be found to have in respect of this announcement and/or any such statement.

Nothing contained in this announcement constitutes, or is intended to constitute, investment, tax, legal, accounting, or other professional advice.

Any statement contained in this announcement or in any document which is incorporated by reference into this announcement will be deemed to be modified or superseded for the purposes of this announcement to the extent that a statement contained in any subsequent document which is deemed to be incorporated by reference into this announcement modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Forward-looking statements

This announcement contains statements about RMI and the RMI group of companies (the **Group**) that are, or may be, forward-looking statements. All statements (other than statements of historical fact) are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industries in which RMI and the Group operates or invests as well as markets generally; production; cash costs and other operating results; growth prospects and

outlook for operations and/or investments, individually or in the aggregate; liquidity, capital resources and expenditure, statements in relation to the Unbundling, its implementation and the benefits of the Unbundling. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. Examples of forward-looking statements include statements regarding a future financial position.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, returns and the developments within the industries and markets in which the Company and/or the Group operates and/or invests may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. All these forward-looking statements are based on estimates, predictions and assumptions, as regards the Company and the Group, all of which estimates, predictions and assumptions, although the Company believes them to be reasonable, are inherently uncertain and may not eventuate or eventuate in the manner the Company expects. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include matters not yet known to the Company or not currently considered material by the Company.

Investors should keep in mind that any forward-looking statement made in this announcement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company and the Group not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results, performance, or achievement to differ materially from those contained in any forward-looking statement is not known. The Company has no duty to, and does not intend to, update, or revise the forward-looking statements contained in this announcement or any other information herein, except as may be required by law. Any forward-looking statement has not been reviewed nor reported on by the Company's external auditor or any other expert.