

Investec plc

(Incorporated in England and Wales
With registered number 3633621)
LSE share code: INVP
JSE share code: INP
ISIN: GB00B17BBQ50
LEI: 2138007Z3U5GWDN3MY22

Investec Limited

(Incorporated in South Africa
with registered number 1925/002833/06)
JSE share code: INL
NSX share code: IVD
BSE share code: INVESTEC
ISIN: ZAE000081949
LEI: 213800CU7SM6O4UWOZ70

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As part of the dual listed company structure, Investec plc and Investec Limited (jointly "**Investec**") notify both the London Stock Exchange (the "**LSE**") and the Johannesburg Stock Exchange (the "**JSE**") of matters which are required to be disclosed under the Disclosure Guidance and Transparency Rules and the Listing Rules of the Financial Conduct Authority and/or the JSE Listings Requirements.

Accordingly, we advise of the following:

INVESTEC PLC AND INVESTEC LIMITED

TAX COST AND APPORTIONMENT RATIO

*Defined terms used but not otherwise defined in this announcement have the meanings set out in the shareholder circular published by Investec on 18 March 2022 (the "**Circular**").*

1. INTRODUCTION

Shareholders are referred to the announcement released by Investec on 31 May 2022 confirming that, following the delivery of the Scheme Court Order to the Registrar of Companies, the Distribution became effective as of 7.00 p.m. (London time) / 8.00 p.m. (Johannesburg time) on Monday, 30 May 2022.

The purpose of this announcement is to advise Investec Shareholders of the ratio in which the expenditure incurred (and/or the market value) of the Investec shares must be apportioned pursuant to section 46(3)(a) of the South African Income Tax Act (the "**Act**").

Shareholders are reminded that the unbundling was executed by Investec Limited using a distribution ratio of:

- (i) 1 : 0.13751 meaning that for every 1 Investec Limited Ordinary Share held at the Distribution Record Time, an Investec Limited Ordinary Shareholder is entitled to 0.13751 of a Ninety One Limited Share; and
- (ii) 1 : 0.13751 meaning that for every 1 Investec plc Ordinary Share held on the Investec plc SA Register at the Distribution Record Time, an Investec plc Ordinary Shareholder on the Investec plc SA Register is entitled to 0.13751 of a Ninety One Limited Share.

As outlined in paragraphs 3.1 and 3.2 of Part VI of the Circular, an entitlement to a fraction of a Ninety One Limited share will arise for all Investec Limited Ordinary Shareholders and all Investec plc Ordinary Shareholders on the Investec plc SA Register at the Distribution Record Time. Shareholders will receive a cash payment equivalent to the fraction of a Ninety One Share to which they otherwise would have been entitled. Further detail with respect to cash proceeds in respect of fractional entitlements is outlined in the announcement released by Investec on 27 May 2022.

2. APPORTIONMENT TAX PRINCIPLES

Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register held as trading stock

Any Investec Limited Ordinary Shareholder holding Investec Limited Ordinary Shares as trading stock and/or any Investec plc Ordinary Shareholder on the Investec plc SA Register holding Investec plc Ordinary Shares held on the Investec plc SA Register as trading stock will be deemed to acquire the unbundled Ninety One Limited Shares as trading stock or on revenue account, as the case may be.

The combined expenditure of such Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register and unbundled Ninety One Limited Shares will be the amount taken into account by the Investec Limited Ordinary Shareholder and/or the Investec plc Ordinary Shareholder on the Investec plc SA Register in respect of those shares, as contemplated in section 11(a), section 22(1), or section 22(2) of the Act (tax cost).

The portion of the above combined expenditure to be allocated to the unbundled Ninety One Limited Shares will be determined by applying the ratio that the market value of the unbundled Ninety One Limited Shares bears to the sum of the market value of the Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register and the unbundled Ninety One Limited Shares as at the last day to trade plus one Business Day, being Thursday, 26 May 2022. The expenditure so allocated to the unbundled Ninety One Limited Shares will reduce the expenditure relating to the retained Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register, as applicable.

Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register held as capital assets

Any Investec Limited Ordinary Shareholder holding Investec Limited Ordinary Shares as capital assets and/or any Investec plc Ordinary Shareholder on the Investec plc SA Register holding Investec plc Ordinary Shares held on the Investec plc SA Register as capital assets will be deemed to acquire the unbundled Ninety One Limited Shares as capital assets.

The combined expenditure of such Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register and unbundled Ninety One Limited Shares will be the original expenditure incurred in respect of the Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register, that is allowable in terms of paragraph 20 of the Eighth Schedule to the Act, and where the Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register were acquired before 1 October 2001, the expenditure and/or market value, as the case may be, adopted or determined as contemplated in paragraph 29 of the Eighth Schedule to the Income Tax Act (tax cost).

The portion of the above combined expenditure to be allocated to the Ninety One Limited Shares will be determined by applying the ratio that the market value of the Ninety One Limited Shares, bears to the sum of the market value of the Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register and the Ninety One Limited Shares as at the last day to trade plus one Business Day, being Thursday, 26 May 2022, taking the distribution ratio into account. The expenditure and/or market value, as the case may be, so allocated to the Ninety One Limited Shares will reduce the expenditure and/or market value, as the case may be, of the retained Investec Limited Ordinary Shares and/or Investec plc Ordinary Shares held on the Investec plc SA Register, as applicable.

Investec Limited Ordinary Shareholders

In terms of section 46(3)(a) of the Act, Investec Limited Ordinary Shareholders must allocate a portion of the expenditure and market value (as defined in section 46(3)(b)) attributable to the Investec Limited Ordinary Shares to the Ninety One Limited Shares acquired and reduce the expenditure and market value attributable to the Investec Limited Ordinary Shares by the amount so allocated. The allocated portion of the tax cost of the Investec Limited Ordinary Shares is an amount which bears to such tax cost the same ratio that the market value of the Ninety One Limited Shares on the last day to trade plus one Business Day bears to the sum of the market values of:

- (i) the closing share price of Ninety One Limited Shares on the last day to trade plus one Business Day; and

- (ii) the closing share price of Investec Limited Ordinary Shares on the last day to trade plus one Business Day.

Investec plc Ordinary Shareholders on the Investec plc SA Register

In terms of section 46(3)(a) of the Act, Investec plc Ordinary Shareholders on the Investec plc SA Register must allocate a portion of the expenditure and market value (as defined in section 46(3)(b)) attributable to the Investec plc Ordinary Shares held on the Investec plc SA Register to the Ninety One Limited Shares acquired and reduce the expenditure and market value attributable to the Investec plc Ordinary Shares held on the Investec plc SA Register by the amount so allocated. The allocated portion of the tax cost of the Investec plc Ordinary Shares held on the Investec plc SA Register is an amount which bears to such tax cost the same ratio that the market value of the Ninety One Limited Shares on the last day to trade plus one Business Day bears to the sum of the market values of:

- (i) the closing share price of Ninety One Limited Shares on the last day to trade plus one Business Day; and
- (ii) the closing share price of Investec plc Ordinary Shares held on the Investec plc SA Register on the last day to trade plus one Business Day.

In terms of section 46(7) of the Act, the relief provided for in terms of section 46 would not apply for Investec Limited or the relevant shareholder where shares are distributed to any shareholder that is: (i) a “disqualified person”; and (ii) holds at least 5% of the equity shares in Investec Limited immediately before the unbundling transaction.

In relation to non-South African tax resident Investec Limited Ordinary Shareholders and Investec plc Ordinary Shareholders on the Investec plc SA Register, the tax cost of the Ninety One Limited Shares will only be relevant for shareholders who have a permanent establishment in South Africa.

TAX COST AND APPORTIONMENT RATIO CALCULATION

Investec Limited Ordinary Shareholders

For purposes of the tax cost apportionment calculation of the Ninety One Limited Shares in the hands of the Investec Limited Ordinary Shareholders for tax purposes, the closing price of one Ninety One Limited Share as at 26 May 2022 is ZAR44.64 and the closing price of one Investec Limited Ordinary Share as at 26 May 2022 is ZAR89.20.

The expenditure to be allocated by each Investec Limited Ordinary Shareholder to the Ninety One Limited shares must be determined as follows:

$$A = (B \times (C / (C + D)))$$

Where:

- A = expenditure of a Ninety One Limited share;
- B = Investec Limited Ordinary Shareholder's expenditure, as defined in section 46(3)(b)(i) and (ii)¹ plus the amount defined in section 46(3)(b)(iii)², i.e. Investec Limited's tax liability, being ZAR0.0347 per share;
- C = closing share price of an unbundled Ninety One Limited share on the last day to trade plus one Business Day multiplied by the distribution ratio, i.e. ZAR6.1384 (being ZAR44.64 x 0.13751); and
- D = the closing share price of an Investec Limited Ordinary share on the last day to trade plus one Business Day, i.e. ZAR89.20.

The Apportionment Ratio in respect of the tax cost allocations have therefore been calculated as follows:

- (i) Ninety One Limited Share: 6.4386%

¹ “expenditure” means in relation to unbundled shares acquired as—

- (i) trading stock, the amount taken into account prior to the unbundling transaction in respect of the unbundling shares for the purposes of section 11 (a) or 22 (1) or (2);
- (ii) capital assets, the expenditure incurred prior to the unbundling transaction in respect of the unbundling shares that is allowable in terms of paragraph 20 of the Eighth Schedule; and

² “expenditure” means in relation to unbundled shares acquired as—

- (iii) the amount which bears to the tax paid by the unbundling company of any equity share in respect of which this section does not apply as contemplated in subsection (7) the same ratio as the number of equity shares held by a shareholder that acquires unbundled shares in terms of an unbundling transaction in an unbundling company bears to the number of all the issued equity shares in that unbundling company immediately before that unbundling transaction;

- (ii) Investec Limited Ordinary Share: 93.5614%

Accordingly, Investec Limited Ordinary Shareholders are hereby advised that the expenditure in respect of the Ninety One Limited Shares received is determined as follows:

$$A = B \times \text{Apportionment Ratio}$$

Where:

A = expenditure of Ninety One Limited share;

B = Investec Limited Ordinary Shareholder's expenditure, as defined in section 46(3)(b)(i) and (ii) plus ZAR0.0347 per share;

$$\text{Apportionment Ratio} = 6.4386\%$$

The remaining expenditure must therefore be allocated to the remaining Investec Limited Ordinary Shares still held.

Ordinary Shareholders on the Investec plc SA Register

For purposes of the tax cost apportionment calculation of the Ninety One Limited Shares in the hands of the Investec plc Ordinary Shareholders on the Investec plc SA Register for tax purposes, the closing price of one Ninety One Limited Share as at 26 May 2022 is ZAR44.64 and the closing price of one Investec plc Ordinary Share on the Investec plc SA Register as at 26 May 2022 is ZAR88.25.

The expenditure to be allocated by each Investec plc Ordinary Shareholder on the Investec plc SA Register to the Ninety One Limited shares must be determined as follows:

$$A = (B \times (C / (C+D)))$$

Where:

A = expenditure of Ninety One Limited share;

B = Investec plc Ordinary Shareholder on the Investec plc SA Register's expenditure, as defined in section 46(3)(b)(i) and (ii)³ plus the amount defined in section 46(3)(b)(iii)⁴, i.e. Investec Limited's tax liability, being ZAR0.0528 per share;

C = closing share price of an unbundled Ninety One Limited share on the last day to trade plus one Business Day multiplied by the distribution ratio, i.e. ZAR6.1384 (being ZAR44.64 x 0.13751); and

D = the closing share price of an Investec plc Ordinary share on the SA Register on the last day to trade plus one Business Day, i.e. ZAR88.25.

The Apportionment Ratio in respect of the tax cost allocations have therefore been calculated as follows:

- (i) Ninety One Limited Share: 6.5034%

- (ii) Investec Ordinary plc Share on the Investec plc SA Register: 93.4966%

Accordingly, Investec plc Ordinary Shareholders on the Investec plc SA Register are hereby advised that the expenditure in respect of the Ninety One Limited Shares received is determined as follows:

$$A = B \times \text{Apportionment Ratio}$$

Where:

A = expenditure of Ninety One Limited share;

B = Investec plc Ordinary Shareholders on the Investec plc SA Register's expenditure, as defined in section 46(3)(b)(i) and (ii) plus ZAR0.0538 per share;

$$\text{Apportionment Ratio} = 6.5034\%$$

The remaining expenditure must therefore be allocated to the remaining Investec plc Ordinary Shares on the Investec plc SA Register still held.

³ Refer to footnote 1

⁴ Refer to footnote 2

For simplicity and illustrative purposes, please see the below example of the application of Apportionment Ratio calculation:

Application of Apportionment Ratio calculation	Amount
Number of Investec Limited Ordinary Shares held	1
Base cost per share in hands of Investec Limited Ordinary Shareholder in terms of part (i) and (ii) of the definition of "expenditure" in section 46(3)(b)	ZAR35.00
Amount to be added to base cost per share in terms of part (iii) of the definition of "expenditure" in section 46(3)(b)	ZAR0.0347
New base cost per Investec Limited Ordinary Share before section 46 unbundling	ZAR35.03

Value attributable to Investec Limited Ordinary Shares following section 46 unbundling	Ratio	Allocation
Ninety One Limited Allocation (*)	6.4386%	ZAR2.26
Investec Limited Allocation	93.5614%	ZAR32.78
	100.00%	ZAR35.03

* Considering the distribution ratio and the facts contained in the simplistic example above, the Investec Limited Ordinary Shareholder would allocate ZAR2.26 to 0.13751 of a Ninety One Limited share received. Stated differently the Investec Limited Ordinary Shareholder would need to allocate ZAR16.40418 to a Ninety One Limited share received

Johannesburg and London

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Financial Advisor and Transaction sponsor

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