

Finbond Group Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 2001/015761/06)  
Share code: FGL ISIN: ZAE000138095  
("Finbond" or the "Company" or the "Group")

## **CIRCULAR TO SHAREHOLDERS REGARDING THE SPECIFIC REPURCHASE FROM RELATED PARTIES AND NOTICE OF GENERAL MEETING**

### **1. DISTRIBUTION OF CIRCULAR TO SHAREHOLDERS**

Shareholders are referred to the Firm Intention Announcement released on SENS on 1 November 2023 which advised shareholders of the proposed repurchase and subsequent delisting of 340 523 358 Finbond ordinary shares (the "**Repurchase Shares**"), representing approximately 38.55% of the total issued Finbond shares ("**Finbond Shares**"), 220 523 358 Repurchase Shares from Net1 Finance Holdings (Pty) Ltd, a private company incorporated in accordance with the laws of South Africa ("**Net1**") and 120 000 000 Repurchase Shares from Massachusetts Institute of Technology, a private land-grant research university incorporated in accordance with the laws of the United States of America ("**MIT**"), at a price of 29.11 cents per Repurchase Share ("**Repurchase Consideration**") ("**the Repurchase**").

Shareholders are advised that a circular to Finbond shareholders regarding the Repurchase was distributed to shareholders on Thursday 9 November 2023 ("**the Circular**"). The Circular is available on the Company's website [www.finbond.com](http://www.finbond.com).

### **2. NOTICE OF GENERAL MEETING**

Included in the Circular to shareholders is a notice of general meeting ("**General Meeting**") of shareholders to be held entirely via a remote interactive electronic platform on Friday, 8 December 2023 at 16:00, to transact the business as stated in the notice of the General Meeting.

### **3. ELECTRONIC PARTICIPATION AT THE GENERAL MEETING**

Shareholders are advised that the General Meeting will be held in electronic format, in terms of the provisions of the Companies Act, 2008 and the Memorandum of Incorporation of the Company.

The Directors have made provision for electronic participation at the General Meeting. Any shareholders that wish to participate electronically must notify the Company Secretary at [ben@finbond.com](mailto:ben@finbond.com). Shareholders that require assistance can contact the Company at 012 460 7288 or email the Company Secretary at [ben@finbond.com](mailto:ben@finbond.com). Access to the medium or means of electronic communication will be at the expense of the shareholder or proxy.

### **4. INDEPENDENT EXPERT AND FAIR AND REASONABLE OPINION**

The Independent Expert has considered the terms and conditions of the Repurchases and based upon and subject to the conditions set out in the Independent Expert Report, is of the opinion that the terms and conditions of the Repurchases based on quantitative considerations are unfair, but reasonable based on qualitative considerations to the Repurchase Participants.

However, based on quantitative and qualitative considerations, the Repurchases are fair and reasonable, respectively to the remaining Finbond Shareholders, excluding the Repurchase Participants. (“**Independent Expert Report**”).

The Independent Expert Report is included in the Circular distributed to Shareholders.

## 5. BOARD OPINION AND RECOMMENDATION

The Independent Board, taking into account the opinion of the Independent Expert, has considered the terms and conditions of the Transaction and is of the opinion that the terms and conditions are unfair but reasonable to the Repurchase Participants and fair and reasonable to the remaining Finbond Shareholders. In forming its opinion, the Independent Board considered the factors which are difficult to quantify or are unquantifiable (as contemplated in Regulation 110(6) of the Takeover Regulations) as identified in the Independent Expert’s Report. The Independent Board is not aware of any other factors which are difficult to quantify or unquantifiable by the Independent Board when formulating its opinion.

For reasons outlined in the “Rationale for the Repurchase” (paragraph 2 of the Circular) and given the fairness opinions provided by the Independent Expert, the Independent Board recommends that Shareholders vote their shares in favour of the Repurchase Resolutions set out in the notice of General Meeting.

## 6. SALIENT DATES

The salient dates and times relating to the Repurchase are as follows:

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|--|----------------------------|
| Record date for determining which Shareholders are entitled to receive this Circular and notice of General Meeting   | Friday, 3 November 2023    |
| Circular posted to Shareholders and notice convening the General Meeting released on SENS on   | Thursday, 9 November 2023  |
| Last day to trade in Finbond Shares in order to be recorded in the Register on the Voting Record Date on <sup>2</sup>  | Tuesday, 28 November 2023  |
| Voting Record Date to be entitled to attend, participate in and vote at the General Meeting being 16:00 on   | Friday, 1 December 2023    |
| Last day for receipt of proxies for the General Meeting by 16:00 on <sup>3</sup>   | Wednesday, 6 December 2023 |
| Last date and time for Finbond Shareholders to give notice in terms of section 164 of the Companies Act objecting to the Special Resolution approving the Repurchase by 16:00 on                   | Friday, 8 December 2023    |
| Finbond Shareholders’ General Meeting to be held at 16:00 on   | Friday, 8 December 2023    |
| Results of the General Meeting released on SENS on   | Monday, 11 December 2023   |
| Results of the General Meeting published in the press on   | Tuesday, 12 December 2023  |
| <b>If the Repurchase is approved by Shareholders at the General Meeting:</b>   |                            |
| Last date on which Shareholders who voted against the Special Resolution may require Finbond to seek court approval in terms of section 115(3)(a) of the Companies Act, but only if the Repurchase | Monday, 18 December 2023   |

Resolutions were opposed by at least 15% of the voting rights exercised thereon

Last date on which Shareholders who voted against the Special Resolution may make application to the court in terms of section 115(3)(b) of the Companies Act for leave to apply for a review of the Repurchase, as the case may be

Wednesday, 27 December 2023

Last date for Finbond to send objecting Shareholders notice of the adoption of the Repurchase Resolutions, in terms of section 164(4) of the Companies Act

Wednesday, 27 December 2023

Last date on which Shareholders who validly exercised their Appraisal Rights in terms of section 164 of the Companies Act to deliver written demand to Finbond to pay fair value for their Shares (for purposes of clarity, this demand must be delivered to Finbond within 20 Business Days of receipt of the notice of adoption referred to immediately above, or if any Shareholder did not receive such notice, within 20 Business Days of them learning that the Repurchase Resolutions had been adopted) on

Friday, 12 January 2024

**If no Shareholder exercises their rights in terms of section 115(3)(a) and (b) of the Companies Act, then the following are the anticipated relevant dates and times:**

Compliance certificate anticipated to be received from the TRP on

Thursday, 28 December 2023

Finalisation announcement released on SENS on

Thursday, 28 December 2023

Finalisation announcement published in the press on

Friday, 29 December 2023

Expected implementation date of the Repurchase on or about

Friday, 29 December 2024

Delisting application letter lodged with the JSE for the delisting of the Repurchase Shares

Friday, 29 December 2023

Expected termination of listing of Repurchase Shares at the commencement of trading on or about

Friday, 5 January 2024

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**Notes:**

1. All dates and times are local South African times and are subject to change. Any change will be released on SENS and published in the press. Changes may be subject to approval by the JSE and/or TRP, as required.

2. Finbond 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 Finbond Shares after the voting last day to trade will not be eligible to vote at the General Meeting.

3. If a form of proxy is not received by the time and date shown above or not less than 48 hours before recommencement of any adjourned or postponed meeting, it may be handed to the Chairman of the General Meeting not later than ten minutes before the General Meeting is due to commence or recommence.

## **7. RESPONSIBILITY STATEMENTS**

The Independent Board, collectively and individually, accept responsibility for the accuracy of the information given in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement is true, that no facts have been omitted which would make any statement in this announcement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Firm Intention Announcement contains all information required by law, the Takeover Regulations, and the JSE Listings Requirements.

The Board collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Firm Intention Announcement contains all information required by law and the JSE Listings Requirements.

Pretoria

9 November 2023

Sponsor: Grindrod Bank Limited