THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including to this front cover.

ACTION REQUIRED

1. This entire Circular is important and should be read with particular attention to the section entitled "*Action required by Shareholders*", which commences on page 4.
2. If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal adviser, accountant or other professional adviser immediately.
3. If you have disposed of all of your Shares, please forward this Circular together with the attached Form of Proxy *(grey)*, to the purchaser to whom, or the CSDP, Broker or other agent, through whom, the acquisition was effected.
4. Clientèle does not accept responsibility, and will not be held liable, for any action of, or omission by, any Broker, CSDP or other agent including, without limitation, any failure on the part of any Broker, CSDP or other agent of any beneficial owner of Shares to notify such beneficial owner of the details set out in this Circular or otherwise.

Clientèle

CLIENTÈLE LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2007/023806/06)
Share code: CLI
ISIN Number: ZAE000117438
("**Clientèle**" or "**the Company**")

CIRCULAR TO SHAREHOLDERS

Relating to:

- the Acquisition, which acquisition constitutes a Category 2 transaction in terms of the JSE Listings Requirements;
- an increase in the authorised share capital of the Company through the creation of 6,000 Preference Shares;
- the Amendment of the MOI to increase the authorised share capital and to adopt the Preference Share Terms;
- the approval of the Financial Assistance; and
- the approval of the Preference Share Issuance.

and incorporating:

- a Notice of General Meeting; and
- a Form of Proxy *(grey)* for purposes of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders with Own-name Registration only).

Transaction Sponsor

Valeo Capital

Legal Advisor

CDH
CLIFFE DEKKER HOFMEYR

Date of issue: Friday, 15 November 2024

This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of Clientèle and from the offices of the Transaction Sponsor, whose addresses are set out in the "Corporate Information and Advisors" section of this Circular from Friday, 15 November 2024, the date of issue of this Circular, until Friday, 13 December 2024, the date of the General Meeting (both days inclusive). A copy of this Circular will also be available on Clientèle's website (www.clientele.co.za).

FORWARD-LOOKING STATEMENTS

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including to this forward-looking statements section.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Clientèle and/or the Clientèle 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. 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 future liquidity, future benefit, future synergies, future financial position or future profits, expected profit or growth margins, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic, fiscal and political factors.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Clientèle cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Clientèle operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by Clientèle and although Clientèle believes them to be reasonable, they are inherently uncertain. Such estimates, assumptions or statements may not eventuate. 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 other matters not yet known to Clientèle or not currently considered material by Clientèle.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Clientèle 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 to differ materially from those contained in any forward-looking statements is not known. Clientèle has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

Any forward-looking statements made in this Circular have not been reviewed nor reported on by the external auditor of the Company or the reporting accountants to the Company.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

CORPORATE INFORMATION AND ADVISORS

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including to this corporate information and advisors section.

Directors
GQ Routledge*# *(Chairman)*
BW Reekie *(Group Managing Director)*
AC Pillay *(Group Financial Director)*
BA Stott*#
RD Williams*#
GK Chadwick*
PG Nkadimeng*
H Louw
RDT Zwane
HP Mayers*#
TE Mashilwane*#
MA Raisbeck*
TJ Creamer*

** Non-executive*
 # Independent

Date and place of incorporation of Clientèle
South Africa on 27 August 2007

Website
www.clientele.co.za

Registered Address
Clientèle House
Morningview Office Park
Corner Rivonia and Alon Roads
Morningside, 2196
South Africa
(PO Box 1316, Rivonia, 2128)

Company Secretary
Eben Smit
Building 7, Clientèle Office Park
Corner Rivonia and Alon Road
Morningside, 2196
(PO Box 1316, Rivonia, 2128)

Transaction Sponsor
Valeo Capital Proprietary Limited
(Registration number 2021/834806/07)
Unit 12 Paardevlei Specialist Medical Centre
Paardevlei
Somerset West
Western Cape
South Africa
7130
(PostNet Suite 272, Private Bag X29,
Somerset West, Western Cape, 7129)

Legal Advisor
Cliffe Dekker Hofmeyr Incorporated
(Registration number 2008/018923/21)
1 Protea Place
Sandton
Johannesburg
2196
South Africa
(Private Bag X40, Benmore, 2010)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

TABLE OF CONTENTS

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including to this table of contents section.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including to this action required by Shareholders section.

Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal adviser, accountant or other professional adviser immediately.

If you have disposed of all of your Shares, please forward this Circular together with the attached Form of Proxy *(grey)*, to the purchaser of such Shares or to the CSDP, Broker or other agent through whom the disposal was effected.

The General Meeting will be held at Clientèle's office on Friday, 13 December 2024 at 08h00, physically at Building 7, Clientèle Office Park, C/O Alon & Rivonia Roads, Morningside, Johannesburg, at which General Meeting Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the Resolutions set out in the Notice of General Meeting attached to this Circular.

The Company does not accept responsibility, and will not be held liable, for any action of, or omission by, any Broker, CSDP or other agent including, without limitation, any failure on the part of any Broker, CSDP or other agent of any beneficial owner of Shares to notify such beneficial owner of the details set out in this Circular or otherwise.

1. **DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME REGISTRATION DEMATERIALISED SHAREHOLDERS**

1.1 **Voting at the General Meeting**

1.1.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.

1.1.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.

1.1.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your Broker or CSDP.

1.1.4 **You must not complete the attached Form of Proxy *(grey)*.**

1.2 **Attendance and representation at the General Meeting**

1.2.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to –

1.2.1.1 participate and vote at the General Meeting; or

1.2.1.2 send a proxy to represent you at the General Meeting.

1.2.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2. **CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO ARE OWN-NAME REGISTRATION DEMATERIALISED SHAREHOLDERS**

2.1 **Voting and attendance at the General Meeting**

2.1.1 You may attend the General Meeting in person and may vote at the General Meeting.

2.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy *(grey)* in accordance with the instructions contained therein and lodging, posting or e-mailing it to the Transfer Secretaries at the addresses set out below, to be received by them, for administrative purposes, by no later than 08h00 on Wednesday, 11 December 2024 or thereafter by handing such form to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Hand deliveries to:
The Transfer Secretaries
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196

Postal deliveries to:
The Transfer Secretaries
Private Bag X9000
Saxonwold, 2132

Email deliveries to:
The Transfer Secretaries
proxy@computershare.co.za

3. **GENERAL MEETING**

The General Meeting, convened in terms of the Notice of General Meeting, will be held at Clientèle's offices on Friday, 13 December 2024 at 08h00, physically at Building 7, Clientèle Office Park, C/O Alon & Rivonia Roads, Morningside, Johannesburg.

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate and vote at the General Meeting, either as a Shareholder, or as a proxy or a representative for a Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including to this salient dates and times section.

	Date 2024
Record Date to Receive Notice being the record date to be eligible to receive this Circular and the Notice of General Meeting	Friday, 8 November
Announcement of distribution of Circular and Notice of General Meeting on SENS on	Friday, 15 November
Circular, incorporating Notice of General Meeting and Form of Proxy *(grey)*, posted to Shareholders on	Friday, 15 November
Last day to trade Shares in order to be eligible to vote at the General Meeting	Tuesday, 3 December
Record Date to Vote being the record date to be eligible to attend, participate and vote at the General Meeting	Friday, 6 December
For administrative reasons, Forms of Proxy *(grey)* in respect of the General Meeting to be lodged at or received via hand, post or e-mail by the Transfer Secretaries by no later than 08h00 on	Wednesday, 11 December
Form of Proxy *(grey)* in respect of the General Meeting to be handed to the chairman of the General Meeting at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at the General Meeting on	Friday, 13 December
General Meeting of Shareholders held at Floor 3, Building 7, Clientèle Office Park, C/O Alon & Rivonia Roads, Morningside, Johannesburg at 08h00 on	Friday, 13 December
Results of the General Meeting released on SENS on	Friday, 13 December

Notes

1. The above dates and times are subject to change. Any changes will be announced on SENS.
2. All times quoted in this Circular are local times in South Africa.
3. 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, namely, Tuesday, 3 December 2024, will not be eligible to attend, participate in and vote at the General Meeting in respect of those Shares acquired after the last day to trade.
4. Forms of Proxy *(grey)* are to be lodged with Transfer Secretaries, for administrative purposes only, by no later than 08h00, Wednesday, 11 December 2024. Alternatively, Forms of Proxy *(grey)* may be handed to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting at any time before the appointed proxy exercises any Shareholder rights at the General Meeting.
5. If the General Meeting is adjourned or postponed, Forms of Proxy *(grey)* submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such Forms of Proxy.

DEFINITIONS AND INTERPRETATIONS

In this Circular and annexures hereto, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and vice versa and the following words and expressions bear the meanings assigned to them below:

"**Acquisition Price**"	the aggregate consideration payable by the Company for the Sale Shares as defined and determined in the Announcement;
"**Amendment of the MOI**"	the proposed amendment of the MOI of the Company to increase the authorised share capital of the Company through the creation of 6,000 Preference Shares and to adopt the Preference Share Terms, the details of which are set out in Annexure 2 of the Circular;
"**Announcement**"	the announcement released by Clientèle on SENS on 1 November 2024 related to the Emerald Life Acquisition and proposed Amendment of the MOI, a copy of which is included as Annexure 1 of this Circular;
"**Board**" or "**Directors**"	the board of directors of Clientèle, whose names appear on page 10 of this Circular;
"**Broker**"	any person registered as a broking member (equities) in terms of the rules of the JSE and in accordance with the provisions of the Financial Markets Act;
"**Business Day**"	any day other than a Saturday, Sunday or any other public holiday in South Africa;
"**Certificated Shareholders**"	all registered holders of Certificated Shares;
"**Certificated Shares**"	Shares represented by share certificates or other written instruments, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
"**Circular**"	this circular to Shareholders, dated Friday, 15 November 2024, including the Notice of General Meeting, the Form of Proxy *(grey)* and the annexures hereto;
"**Clientèle**" or "**the Company**"	Clientèle Limited (registration number 2007/023806/06), a limited liability public company duly incorporated in South Africa, the ordinary Shares of which are listed on the main board of the JSE;
"**Clientèle Group**" or "**Group**"	Clientèle and its Subsidiaries;
"**Closing Acquisition Price**"	the amount of the Acquisition Price which shall be payable on the Closing Date as determined in the Announcement;
"**Closing Date**"	the closing date of the Acquisition as defined in the Announcement;
"**Companies Act**"	the Companies Act, No. 71 of 2008, as amended;
"**Company Secretary**"	the company secretary of Clientèle, as appointed from time to time;
"**CSDP**"	a "participant" as defined in the Financial Markets Act, being a person that holds in custody and administers securities or an interest in securities and that has been accepted by a central securities depository as a participant in terms of section 31 of the Financial Markets Act;
"**Custody Agreement**"	a custody agreement between a Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on the sub-register of Dematerialised Shareholders maintained by a CSDP or Broker on behalf of that person;
"**Dematerialise**" or "**Dematerialised**" or "**Dematerialisation**"	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in Clientèle's sub-register of Dematerialised Shareholders maintained by a CSDP or Broker on behalf of that person;

"**Dematerialised Shareholders**"	all registered holders of Dematerialised Shares;
"**Dematerialised Shares**"	Shares that have been dematerialised through a Broker or CSDP in terms of the requirements of Strate and which are recorded in the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
"**Documents of Title**"	share certificates, certified transfer deeds, balance receipts or any other documents of title to shares acceptable to the Board;
"**Embedded Value**"	refers to the sum of the net asset value and present value of future profits of a life insurance company, less the cost of capital;
"**Emerald Life**"	Emerald Life Proprietary Limited (registration number 2016/534835/07), a private company duly incorporated in South Africa;
"**Emerald Life Acquisition**" or "**Acquisition**"	the proposed acquisition of 100% of the Sale Shares by the Company from the Seller in terms of the Sale of Shares Agreement;
"**Finance Party**"	means the subscriber of the Tier 2 Preference Shares and any holder of a Tier 2 Preference Share from time to time;
"**Financial Assistance**"	the financial assistance to be provided to Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) pursuant to the Preference Share Issuance;
"**Financial Markets Act**"	the Financial Markets Act, No. 19 of 2012, as amended;
"**Form of Proxy**"	the form of proxy *(grey)* for use by Certificated Shareholders and Own-Name Registration Dematerialised Shareholders only, for purposes of appointing a proxy to represent such Shareholders at the General Meeting;
"**General Meeting**"	the general meeting of Shareholders to be held at Clientèle's offices on Friday, 13 December 2024, physically at Building 7, Clientèle Office Park, C/O Alon & Rivonia Roads, Morningside, Johannesburg, convened in terms of the Notice of General Meeting enclosed and forming part of this Circular, together with any reconvened general meeting held as a result of any adjournment or postponement of that general meeting, for purposes of considering and, if deemed fit, passing, with or without modification, the Resolutions set out in the Notice of General Meeting and forming part of this Circular;
"**Investec**"	Investec Bank Limited (registration number 1969/004763/06), a limited liability public company duly incorporated in South Africa;
"**JSE**"	the exchange, licensed under the Financial Markets Act, operated by JSE Limited (registration number 2005/022939/06), a public company duly incorporated in South Africa;
"**JSE Listings Requirements**"	the Listings Requirements of the JSE in force as at the Last Practicable Date;
"**Last Practicable Date**"	the last practicable date prior to the finalisation of this Circular, being Thursday, 14 November 2024;
"**MOI**"	the memorandum of incorporation of Clientèle;
"**Notice of General Meeting**"	the notice convening the General Meeting, which is attached to and forms part of this Circular;
"**Own-name Registration**"	Dematerialised Shareholders who have instructed their CSDP to hold their Shares in such Shareholders' own name on the sub-register of Dematerialised Shareholders maintained by the CSDP;

"**Preference Shares**" **or** "***Tier 2* Preference Shares**"	6,000 cumulative redeemable "*Tier 2 Preference Shares*" having the preferences, rights, limitations and other terms as set out in the Preference Share Terms;
"**Preference Share Funding**"	the Tier II capital preference share funding provided by Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) in favour of the Company, by way of Investec or a related entity subscribing for the Preference Shares, for the purpose of funding the majority of the Closing Acquisition Price;
"**Preference Share Issuance**"	the issuance of the Preference Shares to Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) in terms of the Preference Share Subscription Agreement and as set out in paragraph 5 of the Circular;
"**Preference Share Subscription Agreement**"	the subscription agreement entered into between the Company and Investec on or about 6 November 2024 in terms of which Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) will subscribe for 6,000 Preference Shares in the Company;
"**Preference Share Terms**"	the terms and conditions of the Preference Shares as set out in Annexure 2 of this Circular and a summary of which is included in paragraph 4.2 of this Circular;
"**Prudential Authority**"	the Prudential Authority, being the prudential regulator established by the Financial Sector Regulation Act, 2017 under the administration of The South African Reserve Bank, a bank established in terms of section 9 of the Currency and Banking Act, No. 31 of 1920, confirmed as the central bank of South Africa in terms of section 223 of the Constitution of the Republic of South Africa, 1996 and governed by the South African Reserve Bank Act, No. 90 of 1989;
"**Prudential Group**"	those members of the Group (comprising the Company and its Subsidiaries), designated as such by the Prudential Authority;
"**Prudential Group's Own Funds**"	means the Prudential Group's Tier 2 Basic Own Funds as contemplated in Prudential Standard FSI 2.4 and Prudential Standard FSG 2;
"**Record Date to Receive Notice**"	the date on which a Shareholder must be registered in the Register in order to be eligible to receive the Circular and Notice of General Meeting, which date is Friday, 8 November 2024;
"**Record Date to Vote**"	the date on which a Shareholder must be registered in the Register in order to be eligible to attend, participate and vote at the General Meeting, which date is Friday, 6 December 2024;
"**Rand**" or "**R**"	South African Rand, the official currency of South Africa;
"**Register**"	Clientèle's securities register, including the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
"**Resolutions**"	the ordinary and special resolutions required to authorise and approve the Amendment of the MOI, the approval of the Preference Share Issuance and the approval of the Financial Assistance, as set out in the Notice of General Meeting;
"**Sale of Shares Agreement**" or "**Agreement**"	the sale of shares agreement entered into between the Company and the Seller on 31 October 2024 in terms of which the Company will acquire the Sale Shares from the Seller for the Acquisition Price;
"**Sale Shares**"	10,000 ordinary shares in Emerald Life held by the Seller as at the Closing Date, constituting 100% of the issued share capital of Emerald Life;
"**Seller**"	André van der Westhuizen, identity number 740215 5203 087, ordinarily resident in South Africa;
"**SENS**"	the Stock Exchange News Service of the JSE;
"**Shareholders**"	registered holders of Shares, including all Certificated Shareholders and Dematerialised Shareholders;

"**Shares**"	ordinary shares with a par value of 2 cents per share in Clientèle's share capital;
"**South Africa**"	the Republic of South Africa;
"**Strate**"	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly incorporated in South Africa, a central securities depository licensed in terms of the Financial Markets Act responsible for the electronic clearing and settlement system provided to the JSE;
"**Subsidiary**"	a subsidiary as defined in the Companies Act;
"**Transfer Secretaries**"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a limited liability private company duly incorporated in South Africa; and
"**Valeo Capital**" or "**Transaction Sponsor**"	Valeo Capital Proprietary Limited (registration number 2021/834806/07), a limited liability private company duly incorporated in South Africa and the transaction sponsor to Clientèle.

CLIENTÈLE LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2007/023806/06)
Share code: CLI
ISIN Number: ZAE000117438
("**Clientèle**" or "**the Company**")

Directors

GQ Routledge*# *(Chairman)*
BW Reekie *(Group Managing Director)*
AC Pillay *(Group Financial Director)*
BA Stott*#
RD Williams*#
GK Chadwick*
PG Nkadimeng*
H Louw
RDT Zwane
HP Mayers*#
TE Mashilwane*#
MA Raisbeck*
TJ Creamer*

** Non-executive*
 # Independent

CIRCULAR TO SHAREHOLDERS
PART A: EMERALD LIFE ACQUISITION

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

1.1 Shareholders are referred to the Announcement released by the Company on SENS on 1 November 2024, relating to the Emerald Life Acquisition and the proposed Amendment of the MOI, wherein Shareholders were advised that Clientèle had entered into the Sale of Shares Agreement with the Seller, in terms of which Clientèle will acquire 100% of the issued share capital in Emerald Life from the Seller for the Acquisition Price. The Acquisition constitutes a category 2 transaction in terms of paragraph 9.5(a) of the JSE Listings Requirements which does not require shareholder approval and will be funded from the proceeds of the Preference Share Issuance.

1.2 Shareholders were further advised that, in order to facilitate the Preference Share Funding in respect of the Closing Acquisition Price, an amendment of the Company's MOI will be required to increase the authorised share capital to create the Preference Shares and to adopt the Preference Share Terms, which steps require Shareholders approval by way of a special resolution in terms of the Companies Act. In addition, Shareholders are hereby advised that their approval will be sought for the Preference Share Issuance and the Financial Assistance.

1.3 The purpose of this Circular is to:

1.3.1 provide Shareholders with the relevant information relating to the Emerald Life Acquisition, the Amendment of the MOI, the Preference Share Issuance and the Financial Assistance, so as to enable Shareholders to make informed decisions in respect of the Resolutions set out in the Notice of the General Meeting enclosed with this Circular; and

1.3.2 convene the General Meeting of Shareholders in order to consider and, if deemed fit, approve the Resolutions.

2. THE ACQUISITION

2.1 Overview

In terms of the Acquisition, Clientèle will acquire 100% of the issued share capital in Emerald Life from the Seller for the Acquisition Price.

2.2 Business of Emerald Life

Emerald Life is a fast-growing licensed life micro-insurer and was established on the premise of supplying affordable funeral insurance products to the lower- to middle income market segments via a national advisor distribution channel. Today, Emerald Life has a well-established footprint with over 18 branches nationwide and a Head Office in Bellville, Western Cape. Emerald Life comprises of an established and experienced management team with 380 permanent employees and circa 3,500 independent sales advisors, nationwide. The Embedded Value of Emerald Life is circa R600 million.

2.3 Rationale for the Acquisition

2.3.1 Clientèle is a diversified financial services group and is one of South Africa's leading direct distributors of financial services products. Over the past 30 years it has been successfully offering convenient and easy to understand financial services products to the entry level mass market. Clientèle's recent acquisition of 1Life Insurance (RF) Limited has further extended Clientèle's expertise in the mass market segment with a strong focus on "Treating Clients Well".

2.3.2 The acquisition of Emerald Life will add to Clientèle's expertise in the mass market segment and presents a number of strategic benefits for Clientèle. The acquisition is accretive for the Clientèle Group which improves scale and will enhance future value creation for all customers, employees, shareholders and other stakeholders.

2.4 Terms and Conditions

2.4.1 The terms and conditions of the Acquisition are as announced on SENS and as set out in **Annexure 1** of this Circular, save that Shareholders should take note that the time period for fulfillment of the Condition Precedent set out in paragraph 6.1.1 of **Annexure 1** to this Circular has been extended to 22 November 2024 in terms of a written addendum to the Sale of Shares Agreement executed by the relevant parties on or about 14 November 2024.

PART B: AMENDMENT OF THE MOI

3. AMENDMENT OF THE MOI

3.1 The Amendment of the MOI is proposed in order for the Company to create the Preference Shares, adopt the Preference Share Terms and issue the Preference Shares to Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) for purposes of funding the majority of the Closing Acquisition Price for the Acquisition.

3.2 The details of the proposed Amendment of the MOI (including the Preference Share Terms) are contained in **Annexure 2** of this Circular.

3.3 In accordance with the JSE Listings Requirements, the proposed Amendment of the MOI have been approved by the JSE.

4. PREFERENCE SHARE TERMS

4.1 The full Preference Share Terms are set out in **Annexure 2** of this Circular.

4.2 A summary of the salient Preference Share Terms is set out below, which summary is not conclusive or exhaustive, and Shareholders and potential investors should refer to **Annexure 2** of this Circular for full particulars of the Preference Share Terms. In the below summary, capitalised terms not defined in this Circular have the meanings given thereto in **Annexure 2**. In the case of any divergences between this summary and the full Preference Share Terms as contained in the **Annexure 2**, latter shall prevail.

Term	Summary
Tier 2 capital	The funds raised through the Preference Share Issuance will constitute Tier 2 Basic Own Funds as contemplated in Prudential Standard FSI 2.4 and Prudential Standard FSG 2. Accordingly, the rights of the holders of Tier 2 Preference Shares shall rank after the claims of all policyholders, beneficiaries and unsubordinated creditors of the Prudential Group.
Deferral Events	The obligation of the Company to make payments of dividends and redemption amounts on the Tier 2 Preference Shares is subject to a Deferral Event not having occurred and continuing at the time. A Deferral Event means in respect of each Tier 2 Preference Share and on each Preference Share Dividend Payment Date an event whereby the Prudential Group's Own Funds fall below or will, as a result of the payment of any Tier 2 Preference Share Dividends and/or the Redemption Price in respect of the Tier 2 Preference Shares, fall below the Solvency Capital Requirement, as notified by the Company to the Prudential Authority in accordance with the Prudential Standards and a Deferral Event shall be continuing until such time as (i) the Company is able to make payment of amounts due in respect of the Tier 2 Preference Shares not paid as result of that Deferral Event without resulting in the Prudential Group's Own Funds falling below the Solvency Capital Requirement or (ii) the Prudential Authority has approved such payment.
Term	The Company has elected to redeem the Tier 2 Preference Shares after five years, subject to the approval of the Prudential Authority at the time and no Deferral Event having occurred and being continuing. The Company has the right to request the Holders to extend the term of the Tier 2 Preference Shares for a further five years. Any extension of the term will be subject to Holder consent at the time.

Term	Summary
Dividends	Dividends shall accrue on the subscription price of the Tier 2 Preference Shares (plus all accrued by unpaid dividends) at a rate equal to 69% of the Prime Rate, nominal annual compounded monthly and are payable semi-annually, provided that no Deferral Event has occurred and is continuing.
Adjustment Events	The Preference Share Terms contain provisions to ensure that the Holder receives the same net-after tax Return should there be, *inter alia*, any changes in the tax treatment of the Tier 2 Preference Shares, or an increase in the cost to the Holder of holding the Tier 2 Preference Shares. This right of the Holders, survives the redemption of the Tier 2 Preference Shares.
Voluntary Redemption	The Company is entitled to redeem the Tier 2 Preference Shares prior to their anticipated redemption date, subject to Prudential Authority approval at the time.
Trigger Events	The Tier 2 Preference Share Terms contain Trigger Events which are standard for an instrument of this nature. Should a Trigger Event occur and be continuing, the dividend rate will increase by 2% and the Holders will be entitled to request early redemption of the Tier 2 Preference Shares. Any such redemption shall, however, be subject to no Deferral Event having occurred and continuing and to the consent of the Prudential Authority for such redemption having been obtained.
Voting	The rights of the holders of the Tier 2 Preference Shares to vote are limited in accordance with the Companies Act and the JSE Listings Requirements.

5. PREFERENCE SHARE ISSUANCE AND FINANCIAL ASSISTANCE

5.1 In terms of the Preference Share Subscription Agreement:

5.1.1 Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) will, subject to the fulfilment of certain conditions precedent, subscribe for the Preference Shares for an aggregate subscription price of R600 million;

5.1.2 the Preference Share Subscription Agreement contains conditions precedent that are standard for a transaction of this nature and include:

5.1.2.1 the consent of the Prudential Authority; and

5.1.2.2 the Acquisition having become unconditional in accordance with its terms;

5.1.3 the final date for fulfilment of the conditions precedent is 31 March 2025;

5.1.4 the obligations of the Company under the Preference Shares Subscription Agreement are subordinated and accordingly rank after the claims of all policyholders, beneficiaries and unsubordinated creditors of the Prudential Group. Further, no Finance Party is entitled to institute any legal proceeds against the Company for, *inter alia*, the liquidation or winding up of the Company in relation to the Preference Share Subscription Agreement or the Preference Share Terms;

5.1.5 the Company is required to use the subscription proceeds to fund the Acquisition;

5.1.6 the Company is required to pay to Investec (as subscriber) a structuring fee of 0,25% of the aggregate subscription price (plus value-added tax); and

5.1.7 the Preference Share Subscription Agreement contains warranties, undertakings and indemnities that are standard for a transaction of this nature.

5.2 The Preference Share Subscription Agreement is available for inspection in terms of paragraph 12 of this Circular.

5.3 Shareholder approval for the Preference Share Issuance will be sought in terms of section 44 of the Companies Act and clause 8.2.2 of the MOI.

5.4 The warranties and/or indemnities given by the Company in favour of Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) pursuant to the Preference Share Issuance and in terms of the Preference Share Subscription Agreement, may be considered to be financial assistance in terms of section 44 of the Companies Act and accordingly, Shareholder approval for the Financial Assistance will be sought in terms of the section 44 of the Companies Act.

6. APPROVALS REQUIRED

6.1 The following Resolutions will be put to Shareholders at the General Meeting:

6.1.1 a special resolution of Shareholders to approve the increase of the authorised share capital by the creation of 6,000 Preference Shares in terms of section 36(2)(a) of the Companies Act;

6.1.2 a special resolution of Shareholders to approve of the adoption of the Preference Share Terms in terms of section 16(1)(c) of the Companies Act;

6.1.3 a special resolution by shareholders to approve the Financial Assistance in accordance with the provisions of section 44 of the Companies Act;

6.1.4 an ordinary resolution by shareholders to approve the Company issuing and allotting the Preference Shares in terms of clause 8.2.2 of the MOI; and

6.1.5 a special resolution of Shareholders approving the Preference Share Issuance in terms of section 41(3) of the Companies Act.

7. GENERAL MEETING

7.1 The General Meeting will be held at Clientèle's offices on Friday, 13 December 2024 at 08h00, physically at Building 7, Clientèle Office Park, C/O Alon & Rivonia Roads, Morningside, Johannesburg, in order to consider and, if deemed fit, pass, with or without modification, the Resolutions set out in the Notice of General Meeting and forming part of this Circular.

7.2 The Notice of General Meeting is attached hereto and forms part of this Circular and contains the Resolutions to be considered at the General Meeting. Full details of the action required by Shareholders are set out on page 4.

PART C: GENERAL INFORMATION IN RELATION TO THE COMPANY

8. SHARE CAPITAL OF THE COMPANY

8.1 The authorised and issued share capital of Clientèle as at the Last Practicable Date is set out below:

	R'000
Authorised	
750 000 000 Shares	15,000
Issued	
453 149 375 Shares	9,062

8.2 After the creation and issue of the Preference Shares, Clientèle's authorised and issued share capital is expected to be as set out below:

	R'000
Authorised	
750 000 000 Shares	15,000
6 000 Preference Shares	600,000
Issued	
453 149 375 Shares	9,062
6 000 Preference Shares	600,000

9. DIRECTORS' OPINION AND RECOMMENDATION

The Directors are of the opinion that the Resolutions are beneficial to the Company and recommend that Clientèle Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear in the *"Corporate Information and Advisors*" section of this Circular, 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 other 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 the Circular contains all information required by law and the JSE Listings Requirements.

11. CONSENTS

Each of the advisors whose names appear in the "*Corporate Information and Advisors*" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, to the inclusion of their reports in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the Last Practicable Date.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of Clientèle and/or through a secure electronic manner, from the date of publication of this Circular until the date of the General Meeting (both days inclusive) (Shareholders who wish to view the documents through the secure electronic manner should contact the Company Secretary on esmit@clientele.co.za who will facilitate access to same):

12.1 the amended MOI of Clientèle;

12.2 the Preference Share Terms;

12.3 the Preference Share Subscription Agreement; and

12.4 this Circular.

SIGNED AT JOHANNESBURG ON 15 NOVEMBER 2024 BY BASIL W. REEKIE ON BEHALF OF ALL THE DIRECTORS OF CLIENTÈLE

B.W. Reekie
Clientèle Managing Director

ANNOUNCEMENT

CLIENTÈLE LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2007/023806/06)
Share code: CLI
ISIN Number: ZAE000117438
("**Clientèle**" or "**the Company**")

TERMS ANNOUNCEMENT REGARDING THE ACQUISITION OF EMERALD LIFE PROPRIETARY LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the cautionary announcement released on the Stock Exchange News Service on 2 October 2024 ("**Cautionary Announcement**") and are hereby advised that the Company has entered into a sale of shares agreement ("**the Agreement**") with André van der Westhuizen ("**Seller**") and Emerald Life Proprietary Limited ("**Emerald Life**"), in terms of which the Company will acquire 100% of the issued share capital of Emerald Life from the Seller for a purchase consideration determined as set out in paragraph 5 below ("**the Acquisition**").

2. THE BUSINESS OF EMERALD LIFE

Emerald Life is a fast-growing licensed life micro-insurer and was established on the premise of supplying affordable funeral insurance products to the lower- to middle income market segments via a national advisor distribution channel. Today, Emerald Life has a well-established footprint with over 18 branches nationwide and a Head Office in Bellville, Western Cape. Emerald Life comprises of an established and experienced management team with 380 permanent employees and circa 3,500 independent sales advisors, nationwide. The Embedded Value of Emerald Life is circa R600 million.

3. RATIONALE FOR THE ACQUISITION

Clientèle is a diversified financial services group and is one of South Africa's leading direct distributors of financial services products. Over the past 30 years it has been successfully offering convenient and easy to understand financial services products to the entry level mass market. Clientèle's recent acquisition of 1Life Insurance (RF) Limited has further extended Clientèle's expertise in the mass market segment with a strong focus on "Treating Clients Well".

The acquisition of Emerald Life will add to Clientèle's expertise in the mass market segment and presents a number of strategic benefits for Clientèle. The acquisition is accretive for the Clientèle Group which improves scale and will enhance future value creation for all customers, employees, shareholders and other stakeholders.

4. **EFFECTIVE DATE**

4.1 The Acquisition shall close when all of the conditions precedent, as set out in paragraph 6 below, have been fulfilled or waived (with the latest of the date on which any condition precedent is fulfilled or waived being the "**Fulfilment Date**"). The effective date of the Acquisition shall be:

4.1.1 where the Fulfilment Date falls before the 20th day of a month, the last day of the month in which the Fulfilment Date occurs; or

4.1.2 where the Fulfilment Date falls on or after the 20th day of any given month, the last day of the month immediately following the month in which the Fulfilment Date occurs;

or such other date as may be agreed by the Seller and the Company ("**Closing Date**").

5. **CONSIDERATION**

5.1 **Acquisition Price**

5.1.1 The aggregate consideration payable by the Company for the Acquisition ("**the Acquisition Price**") shall be calculated as follows:

5.1.1.1 R597,500,000 ("**Base Amount**"); *plus*

5.1.1.2 an amount calculated by applying a rate of 10.25% per annum, nominal annual compounded monthly in arrears, calculated on the basis of a 365-day year, to the Base Amount from 1 July 2024 until the Closing Date (both days inclusive); *minus*

5.1.1.3 any premium(s), fees and/or other charges that are and/or become payable by the Company in terms of the written warranty and indemnity policy to be taken out by the Company ("**W&I Policy**") on or about the date of signature of the Agreement ("**Signature Date**"); *minus*

5.1.1.4 any dividends or other distributions declared and/or paid by Emerald Life from 1 July 2024 up until the Closing Date; *plus*

5.1.1.5 an amount of up to R50,000,000 ("**Agterskot Amount**"), if applicable; *minus*

5.1.1.6 the applicable transaction bonus amounts payable by Emerald Life to two select key employees ("**Transaction Bonus Recipients**") equal to an agreed percentage of the gross Acquisition Price to each Transaction Bonus Recipient ("**Transaction Bonus Amounts**"), the gross Acquisition Price being an amount calculated in the same manner as the Acquisition Price but excluding the deduction of the Transaction Bonus Amounts.

5.1.2 The amount of the Acquisition Price which shall be payable on the Closing Date shall be the aggregate amount determined in accordance with paragraph 5.1, but excluding in the calculation thereof, the Agterskot Amount and the applicable Transaction Bonus Amounts payable in respect of the Agterskot Amount ("**Closing Acquisition Price**"), which Closing Acquisition Price will be funded through the Tier II capital preference share funding granted by Investec Bank Limited ("**Preference Share Funding**") referred to in paragraph 6.1.6 below.

5.2 **Agterskot Amount**

5.2.1 In addition to the Closing Acquisition Price, following a period of 24 months following the Closing Date ("**Agterskot Period**"), the Company shall pay the Agterskot Amount to the Seller, less any applicable Transaction Bonus Amounts.

5.2.2 An agterskot payment up to a maximum of R50,000,000 will be payable at R312.50 per defined new funeral policy written and premium collected during the Agterskot Period, with a minimum of 40,000 new policies required.

5.2.3 Any Agterskot Amount due by the Company to the Seller (less the applicable Transaction Bonus Amount) shall be paid within 20 business days of finalisation or determination (as the case may be) of the Agterskot Amount, which shall be determined by the financial director of Emerald Life no later than 30 days after expiration of the Agterskot Period.

6. CONDITIONS PRECEDENT

6.1 The Acquisition is subject to the fulfilment or waiver, as the case may be, of the following remaining conditions precedent on or before 30 June 2025 ("**Long Stop Date**") or such other earlier date as may be specified below:

6.1.1 within 10 business days of the Signature Date, the W&I Policy being issued on terms satisfactory to the Seller and the Company (both acting reasonably) and a copy of such W&I Policy having been delivered to the Seller:

6.1.2 the Company delivering a signed undertaking, in a form reasonably satisfactory to the parties, in terms of which it undertakes to each of the Transaction Bonus Recipients to procure that Emerald Life shall comply with its obligation to pay the Transaction Bonus Amounts (with the Company ensuring that Emerald Life continues to maintain a ratio of eligible own funds to the minimum capital requirement determined by the Prudential Standard FSM1 of at least 1.25) after the Closing Date;

6.1.3 to the extent necessary, the counterparties to the material contracts (as identified in the Agreement) having been notified by Emerald Life in writing or having consented in writing, in a form reasonably satisfactory to the parties, to the change of control of Emerald Life which would arise as a result of the Acquisition;

6.1.4 to the extent necessary, the Acquisition and all matters contemplated in the Agreement having been unconditionally approved by the Prudential Authority in terms of (i) section 51(1) of the Insurance Act, 2017 ("**Insurance Act**") and (ii) section 158(2) of the Financial Sector Regulation Act, 2017 ("**FSRA**"), provided that if any such approval is granted subject to any condition, this condition precedent will only be fulfilled if the parties adversely affected by such condition (if any), acting reasonably and in good faith, agree in writing to accept such condition within five business days of being notified of such conditional approval;

6.1.5 the Prudential Authority approving the Preference Share Funding granted by Investec Bank Limited in favour of the Company for purposes of funding the Closing Acquisition Price;

6.1.6 within 60 days of the Signature Date, the shareholders of the Company resolving to amend the Company's memorandum of incorporation ("**MOI**") to create the preference shares and their related terms, and approving the issuance thereof to Investec Bank Limited or a related entity, in order to secure the Preference Share Funding granted by Investec Bank Limited in favour of the Company for purposes of funding the Closing Acquisition Price;

6.1.7 the Competition Commission, the Competition Tribunal or the Competition Appeal Court (whichever has jurisdiction for the purposes of the Acquisition) approving the Acquisition in writing (to the extent necessary), either unconditionally or subject to such conditions as the parties may agree in accordance with the provisions of the Agreement;

6.1.8 the amendment of the employment contracts of the Transaction Bonus Recipients to incorporate revised short term, medium term and long term incentive structures aligned with the Clientèle Group Incentive Scheme with effect from the Closing Date on terms agreed between the Company and the Transaction Bonus Recipients;

6.1.9 Emerald Life and both the Transaction Bonus Recipients agreeing, in writing, to the arrangements in relation to the Transaction Bonus Amounts being amended to incorporate certain agreed deductions and to state that should either Transaction Bonus Recipient give notice of voluntary resignation from Emerald Life's employ for any reason whatsoever within 24 calendar months following the Closing Date, the Transaction Bonus Amount paid to the applicable Transaction Bonus Recipient shall, on a pro-rata basis, become immediately due for repayment by such recipient to Emerald Life, subject to certain qualifications.

6.2 Fulfilment of the Conditions Precedent may be waived and the time period for the fulfilment of the Conditions Precedent can be extended in the manner set out in the Agreement.

7. SIGNIFICANT TERMS OF THE AGREEMENT

7.1 Warranties

7.1.1 In relation to the Condition Precedent contained in paragraph 6.1.4, the Company has warranted and represented to the Seller that it will meet the requirements in section 158(7) of the FSRA and undertaken to the Seller to provide all such information to the Prudential Authority as may be required to evidence the Company's ability to comply with the requirements of the FSRA and the Insurance Act.

7.1.2 The Agreement contains further warranties and indemnities appropriate for a transaction of this nature.

7.2 Restraint

In terms of the Agreement the Seller has undertaken that he will not, for a period of 5 calendar years from the Closing Date, directly or indirectly, offer, distribute and/or underwrite any insurance product(s) that competes with Emerald Life's insurance products, underwritten as at the Closing Date, without the prior written consent of the Company.

7.3 Termination rights

The parties to the Agreement have the right to terminate the Agreement in certain instances including the occurrence of a material adverse change in relation to Emerald Life.

8. FINANCIAL INFORMATION

In terms of the latest audited annual financial statements of Emerald Life, for the financial year ended 29 February 2024, the net asset value of Emerald Life amounted to R96,313,468 while the profit after taxation of Emerald Life amounted to R50,231,359 for the year ended 29 February 2024.

9. AMENDMENT OF MOI AND ISSUANCE OF PREFERENCE SHARES

In order to facilitate the Preference Share Funding in respect of the Closing Acquisition Price, an amendment of the Company's MOI will be required to create a new class of preference shares and their related terms, which requires shareholder approval by way of a special resolution in terms of section 16(1)(c) of the Companies Act 71 of 2008. In addition, shareholders will be requested to approve the issuance of the preference shares. Accordingly, a circular to shareholders relating to the amendment of the MOI and the preference share issuance will be distributed in due course.

10. CLASSIFICATION OF THE ACQUISITION

The Acquisition constitutes a category 2 transaction in terms of the JSE Listings Requirements ("**Listings Requirements**") and does not require shareholders' approval.

11. OTHER

For purposes of paragraph 9.16 of the Listings Requirements, the Company shall ensure that after the Closing Date, nothing in the constitutional documents of Emerald Life will, in any way, frustrate or relieve the Company from its compliance with the Listings Requirements.

12. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are advised that, as a result of the publication of this terms announcement, the Cautionary Announcement is hereby withdrawn and shareholders are no longer required to exercise caution when dealing in the Company's securities.

Johannesburg
1 November 2024

Transaction sponsor

Valeo Capital (Pty) Limited

Valeo Capital

AMENDMENT OF THE MOI (INCLUDING THE PREFERENCE SHARE TERMS)

PROPOSED AMENDMENT NO 1: CLAUSE 7

The Board proposes to amend the MOI by deleting the current clause 7 of the MOI and replacing it with the following:

"7.1 The Company is authorised to issue the following numbers and classes of Shares (which includes Shares already issued at any time), namely:

7.1.1 750 000 000 (seven hundred and fifty million) ordinary Shares ranking *pari passu* with a par value of R0,02 (two cents) per share which shall have Voting Rights in respect of every matter that may be decided by voting and which shall rank after all other classes of Shares in the Company which do not rank *pari passu* with the ordinary Shares as regards Distributions, but save as aforesaid shall be entitled to receive the net assets of the Company upon its liquidation. Every Holder of an ordinary share must have one vote in respect of each share that he holds and must be entitled to vote at every general/annual general meeting, whether in person or proxy; and

7.1.2 6 000 (six thousand) preference Shares which shall have the preferences, rights, limitations and other terms as set out in Annexure D (Preference Share Terms) to this MOI."

PROPOSED AMENDMENT NO 2: NEW ANNEXURE D

The Board proposes to amend the MOI by the inclusion of a new Annexure D containing the Preference Share Terms, which reads as follows:

Schedule 4 Tier 2 Preference Share Terms and Conditions

1. **DEFINITIONS**

In these terms and conditions, capitalised terms not otherwise defined herein shall bear the meanings assigned to them in the Subscription Agreement (as such term is defined below), and, unless inconsistent with or otherwise indicated by the context:

Accumulated Tier 2 Preference Share Dividends means any Scheduled Tier 2 Preference Share Dividend for any Compounding Period which is not paid in full by the last day of that Compounding Period and which remains unpaid.

Actual Redemption Date means, in relation to any Tier 2 Preference Share, the date on which the Company redeems that Tier 2 Preference Share by paying its Redemption Price to the applicable Holder (provided that the Company has paid all the Tier 2 Preference Share Dividends plus any other amounts owing to the Holders in respect of that Tier 2 Preference Share).

Basic Calculation Formula means the formula contained in clause 2.2(a).

Company means Clientèle Limited, registration number 2007/023806/06, a public company with limited liability duly registered in accordance with the laws of South Africa.

Compounding Date means, in relation to any Tier 2 Preference Share, the last day of each calendar month which occurs after the Issue Date of that Tier 2 Preference Share.

Compounding Period means, in respect of each Tier 2 Preference Share, each period which commences on (and includes) a Compounding Date and ends on (and excludes) the next Compounding Date, provided that:

(a) the first Compounding Period in respect of each Tier 2 Preference Share shall commence on (and include) the Issue Date of that Tier 2 Preference Share and shall end on (and exclude) the first Compounding Date which occurs after the Issue Date of that Tier 2 Preference Share; and

(b) the last Compounding Period in respect of any particular Tier 2 Preference Share shall commence on (and include) the last Compounding Date which occurs prior to the Actual Redemption Date of that Tier 2 Preference Share and end on (and exclude) that Actual Redemption Date.

Consolidating Company has the meaning specified in clause 3(a)(i).

Corporate Tax Rate means the maximum nominal rate of Normal Tax (expressed as a percentage) levied on the taxable income of companies (other than small business corporations, non-resident companies, employment companies, gold mining companies, long-term insurance companies and tax holiday companies) from time to time in terms of the Tax Act, being as at the Signature Date 27%.

CTC means contributed tax capital as defined in section 1 of the Tax Act.

Deferral Event means in respect of each Tier 2 Preference Share and on each Tier 2 Preference Share Dividend Payment Date an event whereby the Prudential Group's Own Funds fall below or will, as a result of the payment of any Tier 2 Preference Share Dividends and/or the Redemption Price in respect of that Tier 2 Preference Share (including any amount payable pursuant to any indemnity contained in, or claim arising under, the Subscription Agreement on account of the failure by the Company to pay any Tier 2 Preference Share Dividends and/or the Redemption Price applicable to that Tier 2 Preference Share in accordance with these Tier 2 Preference Share Terms) (**Tier 2 Preference Share Outstanding Amount**), fall below the Solvency Capital Requirement, as notified by the Company to the Prudential Authority in accordance with the Prudential Standards (as applicable) and a Deferral Event shall be **continuing** until such time as (i) the Company is able to make payment of any Tier 2 Preference Share Outstanding Amount not so paid as result of that Deferral Event without resulting in the Prudential Group's Own Funds falling below the Solvency Capital Requirement or (ii) the Prudential Authority has approved payment of the such Tier 2 Preference Share Outstanding Amount not so paid as result of that Deferral Event.

Dispute Auditor means an independent auditor appointed by the Holders from amongst the four largest auditing firms in the Republic of South Africa.

Dividends Tax means the withholding Tax on dividends, imposed under Part VIII of Chapter II of the Tax Act.

Exemption and Declaration Form means the exemption and declaration form in the form and manner contemplated in section 64G(2)(a)(i)(aa) of the Tax Act, to be delivered by each Holder that is exempt from Dividends Tax (as defined in the Tier 2 Preference Share Terms) to the Company.

Final Discharge Date means in respect of each Tier 2 Preference Share held by each past and present Holder, the earlier to occur of:

(a) the date of expiry of a period of 3 years following the year of assessment in which the relevant Holder or its Consolidating Company is finally assessed for Tax in respect of all receipts and accruals pertaining to all or any Tier 2 Preference Shares at any time held by that Holder in terms of this Agreement as contemplated in section 100 of the Tax Administration Act, 2011; and

(b) the date of expiry of a period of 4 years following the last day of the last year of assessment during which the relevant Holder received any Tier 2 Preference Share Dividends and/or Redemption Prices in respect of all the Tier 2 Preference Shares held by that Holder.

Final Redemption Date means, in relation to each Tier 2 Preference Share:

(a) the date falling five years from the Issue Date in respect of that Tier 2 Preference Share, being the date on which the Company has elected to redeem the Tier 2 Preference Shares;

(b) if:

  (i) the Company has notified the Holders in writing of its election to extend the date contemplated in paragraph (a) above to the date falling ten years from the Issue Date in respect of that Tier 2 Preference Share not later than three months prior to the date contemplated in paragraph (a) above (or such shorter period as the Holders may agree in writing); and

  (ii) the Holders have received all credit committee and other approvals required for such extension, as notified by the Holders to the Company in writing,

  the date falling ten years from the Issue Date in respect of that Tier 2 Preference Share; or

(c) if a Deferral Event in relation to that Tier 2 Preference Share has occurred and is continuing on the date contemplated in paragraph (a) or paragraph (b) above, the date on which that Deferral Event is no longer continuing,

provided in each case that the Prudential Authority has approved the redemption of that Tier 2 Preference Share on that date, failing which the Final Redemption Date shall be such later date as may be approved by the Prudential Authority.

Holder means, in relation to any Outstanding Tier 2 Preference Share and at any time, the person who then holds that Outstanding Tier 2 Preference Share (and whose name is reflected in the Company's share register as the Holder of that Outstanding Tier 2 Preference Share), and **Holders** means all of them, as the context requires.

Holding Company means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

Illegality Event means, at any time, it is or becomes illegal or unlawful for a Holder to perform any of its obligations as contemplated by the Finance Documents or to hold the Tier 2 Preference Shares it holds or to claim and recover all or any part of a Tier 2 Preference Share Dividend or Redemption Price.

Increased Tier 2 Preference Share Dividend Rate means 2% above the Tier 2 Preference Share Dividend Rate.

Internally Generated Cashflows means all and any amounts of whatsoever nature received by the Company out of any cause whatsoever, including without limitation on account of the conduct of its business and the holding of Equity Shares in any entity and the proceeds of the issue of any Equity Shares to the Issuer Shareholders (but specifically excluding amounts directly or indirectly received by the Company on account of a Refinance).

Issue Date means, in relation to each Tier 2 Preference Share, the date on which the Company issues that Tier 2 Preference Share to its first Holder.

JSE means JSE Limited, registration number 2005/022939/06, a public company with limited liability duly registered in accordance with the laws of South Africa.

JSE Listings Requirements means the listings requirements of the JSE.

Normal Tax means the Tax levied, in terms of section 5 of the Tax Act, on "*taxable income*" as defined in the Tax Act.

Own Funds means "*Own Funds*", as contemplated in the Prudential Standard Financial Soundness of Insurers ("FSI") 1 and 2.3 and in the Prudential Standards Financial Soundness of Groups ("FSG") 2.

Post-Redemption Notice has the meaning specified in clause 3.6 (*Post-Redemption Payment*).

Potential Trigger Event means the occurrence of any facts and/or circumstances which will become a Trigger Event if those facts and/or circumstances are not remedied or waived:

(a) within the applicable grace period (if any) stipulated in clause 4 (*Trigger Events*) of these Tier 2 Preference Share Terms; or

(b) after any notice required by clause 4 (*Trigger Events*) of these Tier 2 Preference Share Terms has been given and has expired.

Prudential Authority means the Prudential Authority, being the prudential regulator established by the Financial Sector Regulation Act, 2017 under the administration of the South African Reserve Bank, a bank established in terms of section 9 of the Currency and Banking Act, No. 31 of 1920, confirmed as the central bank of South Africa in terms of section 223 of the Constitution of the Republic of South Africa, 1996 and governed by the South African Reserve Bank Act, No. 90 of 1989.

Prudential Standards means the prudential standards published by the Prudential Authority on 1 July 2018, as amended and/or replaced and/or supplemented from time to time.

Redemption Price means, in relation to each Tier 2 Preference Share, an amount equal to its Subscription Price.

Refinancing Dividend has the meaning specified in clause 2.3(a).

Relevant Entity has the meaning specified in clause 3.6 (*Post-Redemption Payment*).

Return means the overall net financial return and/or net after Tax return to be achieved by any Holder or that Holder's Consolidating Company (calculated on a consolidated basis) in respect of, or in connection with, the subscription, the funding and the holding of the Tier 2 Preference Shares held by that Holder from time to time (on the basis that the aggregate Subscription Price on account of all Tier 2 Preference Shares is funded out of equity), and includes any Holder's or that Holder's Consolidating Company's:

(a) financial return, net of charges, costs, imposts, capital adequacy or liquidity requirements or any other costs, charges, levies or imposts in respect of which an Adjustment Event may apply; and/or

(b) after-Tax return, net of all Taxes payable in respect of, or in connection with the subscription for and holding of such Tier 2 Preference Shares.

Return of Capital means return of capital as defined in section 1 of the Tax Act.

Scheduled Tier 2 Preference Share Dividend means, for each Tier 2 Preference Share and for each Compounding Period, the dividend calculated in accordance with the Basic Calculation Formula.

Solvency Capital Requirement means the solvency capital requirement as contemplated in Prudential Standard FSI 4.

Subscription Agreement means the agreement entered into between the Company and the Subscriber in respect of, *inter alia*, the Subscriber's obligations to subscribe for the Tier 2 Preference Shares, and the Company's obligations to issue the Tier 2 Preference Shares to the Subscriber, to which agreement these Tier 2 Preference Share Terms have been annexed as Schedule 4.

Tier 2 Basic Own Funds means "*Tier 2 Basic Own Funds*", as contemplated in Prudential Standard FSI 2.3 and Prudential Standard FSG 2.

Tier 2 Preference Share Dividend Payment Date means, in relation to each Tier 2 Preference Share, if on the relevant date no Deferral Event in relation to that Tier 2 Preference Share has occurred which is continuing:

(a) 30 April and 31 October of each year or, if such date is not a Business Day, the immediately preceding Business Day; and

(b) in respect of all Tier 2 Preference Share Dividends not previously paid in respect of that Tier 2 Preference Share, the Actual Redemption Date in respect of that Tier 2 Preference Share.

Tier 2 Preference Share Dividend Period means, in respect of each Tier 2 Preference Share, each period which commences on (and includes) one Tier 2 Preference Share Dividend Payment Date and which ends on (and excludes) the next Tier 2 Preference Share Dividend Payment Date provided that:

(a) the first Tier 2 Preference Share Dividend Period in respect of each Tier 2 Preference Share shall commence on (and include) the Issue Date applicable to that Tier 2 Preference Share and shall end on (and exclude) the first Tier 2 Preference Share Dividend Payment Date which occurs after that Issue Date; and

(b) the last Tier 2 Preference Share Dividend Period in respect of any particular Tier 2 Preference Share shall commence on (and include) the last Tier 2 Preference Share Dividend Payment Date which occurs prior to the Actual Redemption Date of that Tier 2 Preference Share and end on (and exclude) that Actual Redemption Date.

Tier 2 Preference Share Dividend Rate means a rate equal to the Tier 2 Preference Share Dividend Rate Percentage multiplied by the Prime Rate.

Tier 2 Preference Share Dividend Rate Percentage means, subject to adjustment in accordance with an Adjustment Clause, 69%.

Tier 2 Preference Share Dividends means, in respect of each Tier 2 Preference Share, the applicable Scheduled Tier 2 Preference Share Dividends and includes (without double counting) any Accumulated Tier 2 Preference Share Dividends (adjusted, if applicable, in terms of any Adjustment Clause), any Additional Tier 2 Preference Share Dividends and/or any Refinancing Dividends, if applicable.

Tier 2 Preference Shares means 6,000 cumulative redeemable "*Tier 2 Preference Shares*" which confer on their Holders the rights and privileges set out in these Tier 2 Preference Share Terms, and which constitute Tier 2 Basic Own Funds of the Prudential Group, and "**Tier 2 Preference Share**" means each or any one of them, as the context requires.

Trigger Event means any event listed in clause 4 (*Trigger Events*) of these Tier 2 Preference Share Terms.

TIER 2 PREFERENCE SHARES

2. DIVIDENDS

2.1 Entitlement

(a) Each Holder shall be entitled, in respect of each Outstanding Tier 2 Preference Share held by it, to the Tier 2 Preference Share Dividends specified and calculated in accordance with the provisions of this clause 2 (*Dividends*).

(b) The Tier 2 Preference Share Dividends due and payable under these Tier 2 Preference Share Terms shall, subject to no Deferral Event having occurred which is continuing, be paid:

(i) after payment of all amounts due and payable to all policyholders, beneficiaries and non-subordinated creditors of the Company have been paid; and

(ii) in priority to the payment of dividends in respect of any other classes of shares in the Company's share capital.

2.2 Scheduled Tier 2 Preference Share Dividend

(a) For each Compounding Period, each Outstanding Tier 2 Preference Share shall be entitled to a Scheduled Tier 2 Preference Share Dividend, which shall be calculated as the aggregate of the daily amounts (each a **Daily Amount**) determined in accordance with the formula set out in clause 2.2(b), for each day to occur during each such Compounding Period.

(b) On any day within a Compounding Period, the Daily Amount in respect of a Tier 2 Preference Share as at that day shall be equal to the amount calculated in accordance with the following formula:

$a = (b \times c) / 365$

in which formula:

a = the Daily Amount for that Tier 2 Preference Share;

b = the aggregate of (i) the Subscription Price of that Tier 2 Preference Share (less the amount of any Returns of Capital in respect of that Tier 2 Preference Share), plus (ii) the Accumulated Tier 2 Preference Share Dividends (if any) which have accrued in respect of that Tier 2 Preference Share during any prior Compounding Period and which remain unpaid, plus (iii) the Additional Tier 2 Preference Share Dividends (if any) envisaged in clause 3(c)(i) which have accrued in respect of that Tier 2 Preference Share and which remain unpaid;

c = the Tier 2 Preference Share Dividend Rate, or, with effect from the date on which a Trigger Event has occurred and for so long as it is continuing or, with effect from the date on which a Deferral Event has occurred and for so long as it is continuing, the Increased Tier 2 Preference Share Dividend Rate.

(c) The Company shall:

(i) on or before each Tier 2 Preference Share Dividend Payment Date, apply the Solvency and Liquidity Test and, once the Board is reasonably satisfied that the Company will satisfy the Solvency and Liquidity Test and the Solvency Capital Requirement immediately after paying the relevant Tier 2 Preference Share Dividends payable or to become payable on that Tier 2 Preference Share Dividend Payment Date, the Board shall pass a resolution acknowledging that the Board has applied the Solvency and Liquidity Test and the Solvency Capital Requirement and has reasonably concluded that the Company will satisfy the Solvency and Liquidity Test and the Solvency Capital Requirement immediately after paying the relevant Tier 2 Preference Share Dividends, and deliver that duly passed resolution to the Finance Parties;

(ii) on each Tier 2 Preference Share Dividend Payment Date pay an amount equal to the aggregate of (i) the Scheduled Tier 2 Preference Share Dividends for each Compounding Period to occur within the most recent Tier 2 Preference Share Dividend Period, plus (ii) any Accumulated Tier 2 Preference Share Dividends as at the first day of that most recent Tier 2 Preference Share Dividend Period and which remain unpaid during the relevant Tier 2 Preference Share Dividend Period, plus (iii) any Additional Tier 2 Preference Share Dividends which the Company has become obliged to pay but which remain unpaid.

(d) Notwithstanding the provisions of clause 2.2(c)(ii), the Company shall be entitled to make payment of any Tier 2 Preference Share Dividends contemplated in clause 2.2(c)(ii) on a Compounding Date, without premium or penalty, provided that (i) the requirements of clause 2.2(c)(i) are met and (ii) no Deferral Event has occurred which is continuing.

(e) Each Tier 2 Preference Share Dividend shall, for the purposes of calculation:

(i) accrue on a daily basis during the applicable Tier 2 Preference Share Dividend Period;

(ii) be calculated on the actual number of days elapsed and on the basis of a 365 (three hundred and sixty-five) day year irrespective of whether or not the applicable year is a leap year; and

(iii) be determined inclusive of the first day and exclusive of the last day of the period for which it is determined and if such period would otherwise end on a day which is not a Business Day that period shall instead end on the immediately preceding day which is a Business Day.

(f) The Tier 2 Preference Share Dividends paid by the Company pursuant to clause 2.2(c) shall be allocated as follows:

(i) first, to all and any Additional Tier 2 Preference Share Dividends which have accrued but which have not been paid;

(ii) thereafter, to all and any Accumulated Tier 2 Preference Share Dividends which have accrued but which have not been paid; and

(iii) thereafter, to all and any Scheduled Tier 2 Preference Share Dividends.

2.3 **Refinancing Dividends**

(a) Subject to clause 2.3(b) and the provisions of the Further Rights Letter, if the Company voluntarily redeems any Outstanding Tier 2 Preference Shares prior to the Final Redemption Date out of the proceeds of any Refinance, the Company shall pay, on the Actual Redemption Date on which it redeems each such Outstanding Tier 2 Preference Share, a dividend (**Refinancing Dividend**), on account of each such Outstanding Tier 2 Preference Share, in an amount equal to:

(i) 3% of the Redemption Price in respect of such Outstanding Tier 2 Preference Share so redeemed, if such redemption occurs on or before the first anniversary of the CP Fulfilment Date;

(ii) 2% of the Redemption Price in respect of such Outstanding Tier 2 Preference Share so redeemed, if such redemption occurs after the first anniversary of the CP Fulfilment Date and on or before the third anniversary of the CP Fulfilment Date; and

(iii) 1% of the Redemption Price in respect of such Outstanding Tier 2 Preference Share so redeemed, if such redemption occurs after the third anniversary of the CP Fulfilment Date and prior to the Final Redemption Date,

provided that if the relevant Holder participates in the relevant Refinance, the Refinancing Dividend payable to it shall be reduced *pro rata* to the extent of its participation in that Refinance.

(b) No Refinance Dividend shall be payable by the Company to the Holders in respect of the Outstanding Tier 2 Preference Shares if the Outstanding Tier 2 Preference Shares:

(i) are voluntarily redeemed using Internally Generated Cashflows in accordance with paragraph 5.4;

(ii) are redeemed using the proceeds of Refinance following receipt of an Early Redemption Notice from the Holders;

(iii) are redeemed as a result of the occurrence of any of the circumstances contemplated in paragraph 5.3 (*Mandatory Redemption – Illegality*); and/or

(iv) are redeemed in full within 90 days of the later to occur of (i) the Holders notifying the Company in writing of the occurrence of an Adjustment Event, and (ii) the date of the occurrence of an Adjustment Event.

2.4 **Actual Redemption Date**

The Company shall, to the extent to which it has not yet done so, pay all the Tier 2 Preference Share Dividends in respect of each Tier 2 Preference Share on the Actual Redemption Date of that Tier 2 Preference Share.

3. ADJUSTMENT EVENTS

(a) An adjustment event (**Adjustment Event**) shall occur if:

(i) any of the events and/or circumstances envisaged in clauses 3(e) or 3(f), occur and, as a result of such occurrence, any Holder or any company that consolidates that Holder for financial reporting purposes (its **Consolidating Company**) will achieve a lower or higher Return in respect of the Outstanding Tier 2 Preference Share held by it than it would have achieved had such events and/or circumstances not occurred; or

(ii) the Corporate Tax Rate increases or decreases.

(b) If an Adjustment Event occurs in relation to a Holder and/or its Consolidating Company, that Holder shall be entitled to deliver written notice (an **Adjustment Notice**) to the Company in which the Holder advises the Company of that occurrence (including sufficient details of the relevant Adjustment Event).

(c) If a Holder delivers an Adjustment Notice as a result of the occurrence of an Adjustment Event (other than the Adjustment Event envisaged in clause 3(a)(ii)) and the occurrence of the applicable Adjustment Event results in a reduction in the Return for any Holder and/or that Holder's Consolidating Company:

(i) for any period prior to the date on which that Adjustment Event occurs, the Holder may elect that the Company shall on the Tier 2 Preference Share Dividend Payment Date immediately following receipt of the Adjustment Notice (and otherwise subject to the provisions of clause 2.2(c)) pay an additional Tier 2 Preference Share Dividend (the **Additional Tier 2 Preference Share Dividend**) in respect of each Outstanding Tier 2 Preference Share held by the applicable Holder as will result in that Holder and/or its Consolidating Company achieving the same Return (for the period prior to the date on which the Adjustment Event occurred), as that which it would have achieved had the Adjustment Event not occurred, in such amount calculated by the relevant Holder and specified in the relevant Adjustment Notice; and/or

(ii) for the period after the Adjustment Event occurs, the Holder may elect that the Tier 2 Preference Share Dividend Rate in respect of each Outstanding Tier 2 Preference Share held by the applicable Holder shall be increased by such a margin, as calculated by the relevant Holder and specified in the relevant Adjustment Notice, as will have the result that the relevant Holder and/or its Consolidating Company achieves the same Return as that which it would have achieved had the Adjustment Event not occurred (and such increase in the Tier 2 Preference Share Dividend Rate shall take effect on the date stipulated by the applicable Holder in its Adjustment Notice, which date may be a date earlier than the date on which the Adjustment Notice is given).

(d) If the Adjustment Event envisaged in clause 3(a)(ii) occurs, the Tier 2 Preference Share Dividend Rate Percentage shall be recalculated in accordance with the formula contained in clause 3.2(a), and that recalculated Tier 2 Preference Share Dividend Rate Percentage shall be applied (1) retrospectively in re-calculating, *mutatis mutandis* in accordance with clause 2.2(a), all Scheduled Tier 2 Preference Share Dividends that have accrued in respect of the Tier 2 Preference Shares held by the applicable Holder during the current and all preceding Tier 2 Preference Share Dividend Periods and which have not been paid in accordance with clause 2.2(c), and (2) in calculating all Scheduled Tier 2 Preference Share Dividends which will accrue and become payable thereafter.

(e) An Adjustment Event shall occur if there is any change in Applicable Law or in the interpretation or application of any Applicable Law (whether in force before or after the Signature Date), or the introduction of any new Applicable Law with which a Holder and/or its Consolidating Company is obliged to comply, which decreases or increases the Return to that Holder and/or

its Consolidating Company in respect of the Outstanding Tier 2 Preference Shares held by it, including as a result of any of the following:

(i) any increase or decrease in the costs of subscribing for any Tier 2 Preference Shares and/or holding and/or funding the relevant Outstanding Tier 2 Preference Shares;

(ii) any event which reduces or increases the after-Tax Tier 2 Preference Share Dividend receipt by the relevant Holder in respect of the relevant Tier 2 Preference Share Dividends;

(iii) any Tax imposed on, or in respect of, the payment of dividends or the imposition of any Tax in respect of any amount received in respect of the Tier 2 Preference Shares (other than Dividends Tax) whether such Tax is imposed on dividends, return of capital, as a withholding Tax, or otherwise subject to the Holder providing all documentation necessary for any exemption from such Tax; and/or

(iv) a Holder is no longer exempt from Dividends Tax or, after a Holder is no longer exempt from Dividends Tax, the applicable rate at which Dividends Tax is levied is increased or decreased.

(f) An Adjustment Event shall also occur if, for so long as a Holder and/or its Consolidating Company is a Bank or is otherwise subject to regulation under the Banks Act, 1990, or is a financial institution duly registered as such with any statutory or monetary authority in South Africa, or is a Subsidiary of such Bank or financial institution, each time there is any:

(i) proposal or measure implemented pursuant to the Basel III Framework on a basis materially different to that which is in force as at the Signature Date and with which Banks, financial institutions or Subsidiaries, as the case may be, in South Africa generally comply;

(ii) directive of any central bank or any other fiscal, monetary, regulatory or other authority in South Africa having jurisdiction in respect of such Bank, financial institution or Subsidiary, as the case may be;

(iii) change in practice as it affects or is applied generally by such Banks, financial institutions or Subsidiaries, as the case may be, in South Africa;

(iv) requirement or request by any central bank or statutory or monetary authority with which such Banks, financial institutions or Subsidiaries, as the case may be, in South Africa generally comply, to pay any amounts or maintain any special deposits or reserve assets in addition to those paid or maintained or reserved by the relevant Holder and/or its Consolidating Company at the Signature Date; or

(v) compliance by the relevant Holder and/or its Consolidating Company with any reserve, cash ratio, special deposit, capital adequacy or liquidity requirement (or any other similar requirement) whether or not having the force of law, in respect of the relevant Outstanding Tier 2 Preference Shares, with which such Banks, financial institutions or Subsidiaries, as the case may be, in South Africa generally comply in addition to those applicable as at the Signature Date,

which is applicable to that Bank, financial institution or Subsidiary, as the case may be, and which decreases or increases the Return to the relevant Holder and/or its Consolidating Company in respect of the relevant Outstanding Tier 2 Preference Shares held by it.

3.2 **Specific Formula**

(a) If any Adjustment Event envisaged in clause 3(a)(ii) occurs, the Tier 2 Preference Share Dividend Rate Percentage will, subject to clause 3.2(b) and clause 3.2(c), be recalculated in accordance with the following formula:

$D = OR \times (1 - NT) / (1 - OT)$

in which formula:

D = the adjusted Tier 2 Preference Share Dividend Rate Percentage;

NT = the Corporate Tax Rate applicable pursuant to the relevant Adjustment Event;

OT = the Corporate Tax Rate applicable immediately prior to the increase or decrease in the Corporate Tax Rate; and

OR = the Tier 2 Preference Share Dividend Rate Percentage applicable immediately prior to the occurrence of such Adjustment Event, expressed as a percentage,

provided that, for so long as the relevant Trigger Event has occurred and is continuing or a Deferral Event has occurred and is continuing, and the Increased or Decreased Tier 2 Preference Share Dividend Rate applies, "OR" shall be the Increased or Decreased Tier 2 Preference Share Dividend Rate.

(b) The new Tier 2 Preference Share Dividend Rate Percentage calculated in accordance with clause 3.2(a) shall be applied retrospectively in re-calculating, *mutatis mutandis* in accordance with clause 2.2(a), all Accumulated Tier 2 Preference Share Dividends.

(c) If an Adjustment Event envisaged in clause 3(a)(ii) occurs after the occurrence of any other Adjustment Event:

(i) the Holder shall first recalculate the value of "OR", for the purposes of clause 3.2(a) on the basis that the value of "D" shall be the Tier 2 Preference Share Dividend Rate Percentage, as adjusted taking into account the occurrence of all prior Adjustment Events (whether or not an Adjustment Notice in respect thereof had been issued, provided that the relevant Holder has provided the Company with the details of all relevant Adjustment Events to which any such adjustment relates, whether in an Adjustment Notice or otherwise); and

(ii) the Tier 2 Preference Share Dividend Rate Percentage shall then be recalculated on the basis of the value of "OR", as calculated pursuant to clause 3.2(c)(i).

3.3 **Exceptions**

Notwithstanding anything to the contrary contained in any Adjustment Clause the Company shall not assume any risk (and no Adjustment Event shall occur):

(a) in respect of a Holder in relation to any Adjustment Event which occurs solely as a result of any act or omission on the part of that Holder and/or its Consolidating Company without the prior written consent of the Company, and save pursuant to the Holders enforcing their rights under the Finance Documents as a result of the occurrence of a Trigger Event which:

(i) directly causes the dividend exemption provisions in section 10(1)(k)(i) of the Tax Act to no longer apply to the Tier 2 Preference Share Dividends payable to that Holder;

(ii) directly causes any Tier 2 Preference Share Dividend to be deemed an amount of "*income*" (as such term is defined in the Tax Act) pursuant to sections 8EA of the Tax Act;

(iii) directly causes any Tier 2 Preference Shares held by that Holder to be deemed *"third-party backed shares*" (as such term is defined in Section 8EA of the Tax Act); or

(b) if:

(i) the first Holder transfers any Tier 2 Preference Shares; and

(ii) as a result of such transfer and/or any subsequent transfer, the Company would be obliged to make a payment to a new Holder under an Adjustment Clause which would not have been payable by the Company had such transfer by the first Holder not occurred,

(in which event the new Holder shall only be entitled to receive payment under an Adjustment Clause to the same extent as the first Holder would have been if the relevant transfer by it had not occurred);

(c) in respect of a Holder in relation to any Adjustment Event which occurs solely as a result of that Holder's failure to deliver a duly completed and signed Exemption and Declaration Form to the Company in respect of the Tier 2 Preference Shares held by it; or

(d) in respect of a Holder if it fails to notify the Company in writing of (i) the occurrence of the relevant Adjustment Event, and (ii) its intention to exercise its rights under this clause 3 *(Adjustment Events*) as a result of the occurrence of such Adjustment Event, in each case on or before the date falling 180 days after the date on which such Holder becomes aware of the occurrence of such Adjustment Event.

3.4 **Reciprocity**

If, at any time after the Signature Date, an Adjustment Event occurs in relation to any Holder and/or its Consolidating Company (other than an Adjustment Event envisaged in clause 3(a)(ii)), then Company shall, notwithstanding anything to the contrary contained herein or in any other Finance Document, be entitled to give written notice thereof to the Holders (which notice shall set out sufficient details regarding the relevant Adjustment Event), requiring the Holders to carry out the necessary calculations and if, after such calculation, the Holders find that such Adjustment Event has the effect that:

(a) the relevant Holder and/or its Consolidating Company will achieve a higher Return in respect of the Tier 2 Preference Shares as the relevant Holder and/or its Consolidating Company would have achieved had that Adjustment Event not occurred;

(b) the higher Return achieved by the relevant Holder and/or its Consolidating Company is solely as a result of the occurrence of the Adjustment Event; and

(c) the higher Return was actually achieved by the relevant Holder and/or its Consolidating Company, then the relevant Holder shall, on written notice to the Company (the **Reduction Notice**) decrease the Tier 2 Preference Share Dividend Rate by such a margin, as calculated by that Holder and specified in the relevant Reduction Notice, as is necessary to ensure that that Holder and/or its Consolidating Company achieves the same Return as it would have achieved if that Adjustment Event had not taken place, provided that notwithstanding the aforegoing:

(i) the Tier 2 Preference Share Dividend Rate shall not be reduced below the Tier 2 Preference Share Dividend Rate as at the Signature Date;

(ii) the Tier 2 Preference Share Dividend Rate shall not be decreased to a rate which would result in the rate of Return of any Holder and/or its Consolidating Company being less than the rate of Return of the Holders and their Consolidating Companies as at the Signature Date;

(iii) the Company's written demand pursuant to this clause 3.4 is delivered to the Tier 2 Preference Shareholders within 180 days after the date on which the Company becomes aware of the occurrence of the relevant Adjustment Event;

(iv) the Company shall not be entitled to make written demand pursuant to this clause 3.4 if a Potential Trigger Event or Trigger Event has occurred and is continuing; and

(v) no Holder shall be under any obligation to provide the Company with any notice of the occurrence of any Adjustment Event.

3.5 **Disputes and no double counting**

(a) If the Company disputes the occurrence of an Adjustment Event, the effect of the occurrence of an Adjustment Event, or the correctness of any calculation in an Adjustment Notice and/or pursuant to any Post-Redemption Notice, a certificate by the external auditors of the relevant Holder shall, in the absence of manifest error, be *prima facie* proof of the occurrence of an Adjustment Event, the effect of the occurrence of an Adjustment Event, or the correctness of such calculation (as the case may be).

(b) When calculating any Additional Tier 2 Preference Share Dividend and/or an increase or decrease in the Tier 2 Preference Share Dividend Rate, as the case may be, pursuant to the occurrence of an Adjustment Event, such calculation shall be done on the basis of no double counting.

(c) On or before the date falling 30 days after the date of delivery to the Company by the Holders of the relevant Adjustment Notice or Post-Redemption Notice, as the case may be, the Company shall be entitled to raise a dispute in relation to the relevant Adjustment Notice or Post-Redemption Notice, as the case may be, and the matters contemplated therein.

(d) Subject to clause 3.5(a), should a dispute arise in respect of the occurrence of an Adjustment Event, the effect of the occurrence of an Adjustment Event, or any calculation in an Adjustment Notice and/or pursuant to any Post-Redemption Notice, such Dispute shall be referred to the Dispute Auditor, who shall make a determination Acting as an Expert (it being agreed that

the ability of the Company to dispute pursuant to this clause 3.5(d) shall not be limited to a manifest error contemplated in clause 3.5(a)).

(e) If an Adjustment Event contemplated in clause 3(e) occurs, and the Holders (acting reasonably) determine that there are reasonable grounds for disputing the Tax imposed on them (or any of them):

(i) the Holders shall notify the Company in writing of such reasonable grounds in the relevant Adjustment Notice delivered in respect of that Adjustment Event;

(ii) the Holders or their Consolidating Companies (as applicable) shall make payment of the relevant Tax imposed on them to the South African Revenue Service on a "*pay now argue later*" basis, save to the extent that the Holders or their Consolidating Companies (as applicable) are entitled by law to defer payment pending determination of the relevant dispute, in which event the Holders or their Consolidating Companies (as applicable) shall make payment of the relevant Tax imposed on them to the South African Revenue Service on the deferred date for such payment (and the Company shall be required to make payment to the Holders of the amounts claimed in the relevant Adjustment Notice on the date(s) specified therein);

(iii) the Holders shall use their reasonable commercial endeavours to pursue the relevant dispute with the South African Revenue Service, provided that the Holders and their Consolidating Companies may, where are there are good prospects of success (as determined in its discretion), appeal an objection outcome or judgment given in relation to any such dispute but shall have no obligation to appeal an objection outcome or any such dispute); and

(iv) in the event that the Holders receive any repayment by the South African Revenue Service of the amount so paid by them to the South African Revenue Service, the Holders shall reimburse to the Company (on a *pro rata* basis) the amount so paid by the Company to the Holders pursuant to the relevant Adjustment Notice.

(v) The Company hereby irrevocably and unconditionally indemnifies each Holder and its Consolidating Company (and its and its Consolidating Company's officers, directors, employees, agents) against, and shall pay to each Holder on first written demand, any cost, loss or liability incurred by that Holder and/or its Consolidating Company as a result of the dispute process contemplated in clause 3.5(e) (other than any opportunity costs or any cost, loss or liability arising as a result of the relevant Holder's and/or its Consolidating Company's or the relevant Holder's and/or its Consolidating Company's officers, directors, employees and/or agents fraud, gross negligence or wilful default) as and when the relevant Holder and/or Consolidating Company or the relevant Holder's and/or its Consolidating Company's officers, directors, employees and/or agents incur any such cost, loss or liability.

3.6 **Post-Redemption Payment**

If an Adjustment Event occurs and/or the occurrence of an Adjustment Event and/or the effect thereof only becomes apparent after all of the Tier 2 Preference Shares held by a person that was a Holder have been redeemed or otherwise Disposed of (each person who was a Holder whose Tier 2 Preference Shares have been redeemed or otherwise Disposed of and/or its Consolidating Company a **Relevant Entity**), and that Relevant Entity achieves or achieved a lower Return on account of it (or its Subsidiary) holding any Tier 2 Preference Share as a result of such Adjustment Event, the Company shall and hereby does indemnify and hold that Relevant Entity harmless against the effect of such Adjustment Event and, accordingly, shall, within five Business Days of written demand (which demand shall include sufficient details of the relevant Adjustment Event and a calculation of the amount claimed by the Relevant Entity under this clause 3.6) (**Post-Redemption Notice**), pay to that Relevant Entity such amount as may be required to result in that Relevant Entity achieving the same Return as it would have achieved had the relevant Adjustment Event not occurred. The provisions of this clause 3.6 shall survive the redemption of the Tier 2 Preference Shares and shall remain enforceable against the Company by the Holders and the Relevant Entities until the Final Discharge Date, on which date all such rights of the Holders and the Relevant Entities shall cease to exist.

4. TRIGGER EVENTS

At all times up to the Interim Discharge Date, subject to clause 5.5 (*Compulsory Early Redemption*), each of the events and circumstances set out in this clause 4 (*Trigger Events*) is a Trigger Event, whether or not the occurrence of such Trigger Event is within the Company's control.

4.1 Solvency and Liquidity Test

(a) On or before each relevant Tier 2 Preference Share Dividend Payment Date:

(b) the Board fails to apply the Solvency and Liquidity Test to determine whether after payment of the applicable Tier 2 Preference Share Dividend the Company will satisfy the Solvency and Liquidity Test for any reason whatsoever; or

(c) the Board applies the Solvency and Liquidity Test in respect of the applicable Tier 2 Preference Share Dividend and fails to satisfy itself that after payment of such Tier 2 Preference Share Dividend the Company will satisfy the Solvency and Liquidity Test for any reason whatsoever; or

(d) the Board applies the Solvency and Liquidity Test in respect of the applicable Tier 2 Preference Share Dividend and satisfies itself that after payment of such Tier 2 Preference Share Dividend the Company will satisfy the Solvency and Liquidity Test but the Board fails to pass a resolution acknowledging that the Board has applied the Solvency and Liquidity Test and has reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after paying the relevant Tier 2 Preference Share Dividend for any reason whatsoever.

4.2 Failure to pay Tier 2 Preference Share Dividends

(a) The Company fails, on any Tier 2 Preference Share Dividend Payment Date, to pay any Tier 2 Preference Share Dividends payable on that Tier 2 Preference Share Dividend Payment Date.

(b) No Trigger Event under clause 4.2(a) will occur if:

(i) that failure to pay is caused by administrative or technical error or a Disruption Event; and

(ii) payment is made in full within three Business Days of its due date.

4.3 Final Redemption

(a) The Company fails to redeem all the Outstanding Tier 2 Preference Shares on the Final Redemption Date.

(b) No Trigger Event under clause 4.3(a) will occur if:

(i) that failure to pay is caused by administrative or technical error or a Disruption Event; and

(ii) payment is made in full within three Business Days of its due date.

4.4 Mandatory Redemption

(a) The Company fails to redeem the Outstanding Tier 2 Preference Shares in the circumstances contemplated in clause 5.1 (*Scheduled Redemption*), clause 5.2 (*Mandatory Redemption – Sanctions*) or clause 5.3 (*Mandatory Redemption – Illegality*).

(b) No Trigger Event under clause 4.4 will occur if:

(i) that failure to pay is caused by administrative or technical error or a Disruption Event; and

(ii) payment is made in full within three Business Days of its due date.

4.5 Other obligations

(a) The Company does not comply with any provision of any Finance Document to which it is a party (other than those referred to in clauses 4.1 (*Solvency and Liquidity Test*) to 4.4 (*Mandatory Redemption*).

(b) No Trigger Event under clause 4.5(a) will occur if the failure to comply or breach is capable of remedy and is remedied within ten Business Days of the date of receipt of written notice by the Company from the Holders calling for such failure or breach to be remedied.

4.6 **Misrepresentation**

(a) Any representation or statement made or deemed to be made by the Company in the Finance Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(b) No Trigger Event under clause 4.6(a) will occur if the relevant circumstances are capable of remedy and are remedied within 10 (ten) Business Day of the date of receipt of written notice by the Company from the Holders calling for circumstances to be remedied.

4.7 **Cross Default**

(a) Any Financial Indebtedness of the Company or any Material Operating Company is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of the Company or any Material Operating Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of the Company or any Material Operating Company is cancelled or suspended by a creditor of the Company or that Material Operating Company, as the case may be, as a result of an event of default (however described).

(d) Any creditor of the Company or any Material Operating Company becomes entitled to declare any Financial Indebtedness of the Company or that Material Operating Company due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Trigger Event will occur under clauses 4.7(a) to 4.7(d) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within clauses 4.7(a) to 4.7(d) is less than ZAR10,000,000 (or its equivalent in any other currency or currencies).

4.8 **Insolvency Events**

An Insolvency Event occurs in relation to the Company or any Material Operating Company.

4.9 **Creditors' process**

(a) Any attachment, liquidation, implementation of any business rescue plan, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Company or any Material Operating Company.

(b) Clause 4.9(a) shall not apply in if such attachment, sequestration, implementation of any business rescue plan, distress or execution or analogous process is discharged within 14 days of the Company becoming aware thereof.

4.10 **Failure to comply with a compliance notice**

The Company or any Material Operating Company fails to comply with a compliance notice issued under section 171 of the Companies Act and such event is not remedied within 15 Business Days of receipt of written notice from the Holders calling upon the Company to remedy such event or procure that such event is remedied.

4.11 **Failure to comply with Final Judgment**

(a) The Company or any Material Operating Company fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court of competent jurisdiction.

(b) For the purposes of clause 4.11(a), a final judgment or final order means a judgment or order (1) which is not appealable or reviewable, or (2) which is appealable or reviewable but in respect of which the period for the lodging of an appeal or application for review has lapsed and the Company or the relevant Material Operating Company has failed to institute appeal or review proceedings, or (3) which is not capable of rescission, or (4) which is capable of rescission but in respect of which the period for applying for rescission has lapsed and the Company or the relevant Material Operating Company has failed to apply for rescission or the Company or the relevant Material Operating Company has applied for rescission of such judgment or order and the application for rescission has been denied.

(c) No Trigger Event will occur under clause 4.11(a) if the aggregate amount outstanding on account of all final judgments contemplated in clause 4.11(a) at any time is less than ZAR1,000,000 (or its equivalent in any other currency or currencies).

4.12 **Expropriation**

The authority or ability of the Company or any Material Operating Company to conduct its business is wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other similar action by or on behalf of any governmental, regulatory or other authority or other person.

4.13 **Unlawfulness and invalidity**

(a) It is or becomes unlawful for the Company to perform any of its obligations under the Finance Documents to which it is a party.

(b) Any obligation or obligations of the Company under any Finance Documents to which it is a party, are not or cease to be legal, valid, binding or enforceable.

(c) Any Finance Document is or ceases to be in full force and effect or is or ceases to be legal, valid, binding, enforceable or effective.

4.14 **Cessation of business**

The Company or any Material Operating Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

4.15 **Loss of Authorisations**

Any Authorisation required by the Company or any Material Operating Company for the conduct of its business is revoked, terminated, suspended or otherwise cancelled for any reason whatsoever.

4.16 **Audit qualification**

The Auditors of the Company or any Material Operating Company qualify the audited annual consolidated financial statements of the Company or that Material Operating Company in circumstances where the Holders have not agreed to such qualification.

4.17 **Repudiation and rescission**

The Company repudiates or rescinds a Finance Document to which it is a party or evidences an intention to repudiate or rescind a Finance Document to which it is a party.

4.18 **Material Adverse Effect**

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

4.19 **Amendments**

Any amendment is made to these Tier 2 Preference Share Terms and/or the Memorandum of Incorporation of the Company, without the prior written consent of the Holders, save to the extent necessary to implement the transactions contemplated in the Finance Documents or as may be required by the Prudential Authority.

4.20 **Change of Control**

A Change of Control occurs.

5. REDEMPTION

5.1 Scheduled Redemption

(a) The Company:

(i) has elected to redeem the Tier 2 Preference Share on the date contemplated in paragraph (a) of the definition of *"Final Redemption Date*"; and

(ii) is entitled to extend the Final Redemption Date to the date contemplated in paragraph (b) of the definition of "*Final Redemption Date*".

(b) The Company shall redeem all Outstanding Tier 2 Preference Shares on the Final Redemption Date, provided that the directors of the Company will be entitled (but not obliged) to make a determination, in relation to all or any of the Holders, and in accordance with the provisions of the Tax Act, that any redemption pursuant to this clause results in a *pro rata* reduction of the Company's CTC in relation to the relevant Outstanding Tier 2 Preference Shares being redeemed and constitutes a Return of Capital, provided that such Return of Capital shall not be in excess of the Subscription Price applicable to any such Outstanding Tier 2 Preference Share being redeemed.

(c) The Company shall, not later than 3 Months prior to the Final Redemption Date contemplated in paragraph (a) or paragraph (b) (as applicable) of the definition of *"Final Redemption Date*", deliver to the Holders evidence to their satisfaction that the Company has requested the approval of the Prudential Authority for the redemption of all the Outstanding Tier 2 Preference Shares on the Final Redemption Date contemplated in paragraph (a) or paragraph (b) (as applicable) of the definition of *"Final Redemption Date*".

5.2 Mandatory Redemption – Sanctions

(a) If the Company, an Issuer Shareholder or any member of the Group or any Affiliate of the Company, an Issuer Shareholder or any member of the Group:

(i) is or becomes a Sanctioned Entity;

(ii) participates in any manner in any Sanctioned Transaction,

the Company shall notify the Holders promptly upon becoming aware of that event.

(b) If any event contemplated by clause 5.2(a) occurs and unless such circumstances are remedied within one Business Day of the date of receipt of written notice by the Company from the a Holder calling for such circumstances to be remedied, each Tier 2 Preference Share held by such Holder shall, if that Holder so requires, upon written notice by that Holder to the Company, become redeemable at the Redemption Price per Tier 2 Preference Share:

(i) on the date set out in that notice, such date to be no sooner than one Business Day after the date on which the Holders deliver that notice to the Company; or

(ii) if a Deferral Event in relation to any Tier 2 Preference Share has occurred and is continuing on the date contemplated in clause 5.2(b)(i) above, the date on which that Deferral Event is no longer continuing,

in each case, or such later date as may be approved by the Prudential Authority.

(c) The Company shall, promptly upon receipt of a notice contemplated in clause 5.2(b) above, deliver to the Holders evidence to their satisfaction that the Company has requested the approval of the Prudential Authority for the redemption of all the Outstanding Tier 2 Preference Shares on a date to be approved by the Prudential Authority.

5.3 Mandatory Redemption – Illegality

(a) If an Illegality Event occurs in relation to a Holder:

(i) that Holder shall notify the other Holders and the Company of the occurrence of that event as soon as reasonably practicable;

(ii) that Holder shall not be entitled to remedy that Illegality Event by transferring the Tier 2 Preference Shares held by that Holder to an Affiliate of that Holder;

(iii) unless such circumstances are remedied within one Business Day of the date of receipt of written notice by the Company from a Holder calling for such circumstances to be remedied, the Tier 2 Preference Shares held by such Holder shall, if that Holder so requires by notice in writing to the Company, become redeemable at the Redemption Price per Tier 2 Preference Share:

(A) on the date set out in that notice, such date to be no sooner than one Business Day after the date on which the Holders deliver that notice to the Company; or

(B) if a Deferral Event in relation to any Tier 2 Preference Share has occurred and is continuing on the date contemplated in clause 5.3(iii)(A) above, the date on which that Deferral Event is no longer continuing,

in each case, or such later date as may be approved by the Prudential Authority.

(iv) The Company shall, promptly upon receipt of a notice contemplated in clause 5.3(iii) above, deliver to the Holders evidence to their satisfaction that the Company has requested the approval of the Prudential Authority for the redemption of all the Outstanding Tier 2 Preference Shares on a date to be approved by the Prudential Authority.

5.4 **Voluntary Redemption**

(a) Subject to clause 5.4(b), and subject to the prior approval of the Prudential Authority, the Company shall be entitled (but not obliged) to redeem, at any time, such number of the Outstanding Tier 2 Preference Shares as the Company may in its sole discretion determine out of any Internally Generated Cashflows from time to time.

(b) If the Company intends to voluntarily redeem any Outstanding Tier 2 Preference Shares, the Company shall, deliver to the Holders the application submitted by it to the Prudential Authority for such voluntarily redemption, not later than 5 (five) Business Days after the date of such submission, which application shall set out (i) the date on which it may anticipate redeeming such Outstanding Tier 2 Preference Shares (**Voluntary Redemption Date**), (ii) the number of Outstanding Tier 2 Preference Shares which it may redeem (the **Voluntary Redemption Shares**), and (iii) the source of the funding which the Company may use to redeem the Voluntary Redemption Shares.

5.5 **Compulsory Early Redemption**

(a) If a Trigger Event occurs and is continuing:

(i) the Holders shall be entitled, but not obliged, to give written notice (a **Trigger Event Remedy Notice**) to the Company in which the Holders require the Company to remedy that Trigger Event within a period of 1 (one) Business Day; and

(ii) if the Holders give the written notice as contemplated in clause 5.5(a)(i) and the Company does not remedy that Trigger Event within the aforesaid one Business Day period, the Holders shall be entitled, but not obliged, to deliver written notice (an **Early Redemption Notice**) to the Company in which the Holders require the Company to redeem each Outstanding Tier 2 Preference Share:

(A) on the date set out in the Early Redemption Notice, the Early Redemption Date to be no sooner than one Business Day after the date on which the Holders deliver the Early Redemption Notice to the Company; or

(B) if a Deferral Event in relation to any Outstanding Tier 2 Preference Share has occurred and is continuing on the date contemplated in clause 5.5(a)(ii)(A) above, the date on which that Deferral Event is no longer continuing,

in each case, or such later date as may be approved by the Prudential Authority (the **Early Redemption Date**).

(iii) The Company shall, promptly upon receipt of an Early Redemption Notice, deliver to the Holders evidence to their satisfaction that the Company has requested the approval of the Prudential Authority for the redemption of all the Outstanding Tier 2 Preference Shares on a date to be approved by the Prudential Authority.

(b) If the Holders deliver an Early Redemption Notice to the Company, the Company shall, on the Early Redemption Date applicable to each Outstanding Tier 2 Preference Share:

(i) pay all the outstanding Tier 2 Preference Share Dividends in respect of that Outstanding Tier 2 Preference Share; and

(ii) redeem that Outstanding Tier 2 Preference Shares.

5.6 **Refinance**

(a) If the Company receives the proceeds of any Refinance, the Company shall either, at its election, upon the receipt of any such proceeds, apply all the proceeds of such Refinance (which shall be not less than the full amount of the Tier 2 Preference Share Outstandings) towards the voluntary redemption of Outstanding Tier 2 Preference Shares and the payment of any outstanding Tier 2 Preference Share Dividends in respect of such Outstanding Tier 2 Preference Shares.

(b) The Company shall, not later than 3 Months prior to the direct or indirect incurral by it, any Material Operating Company or any other member of the Group of any Financial Indebtedness pursuant to a Refinance, deliver to the Holders evidence to their satisfaction that the Company has requested the approval of the Prudential Authority for the redemption of all the Outstanding Tier 2 Preference Shares on the date on which it intends to incur such Financial Indebtedness.

5.7 **Procedure for Redemption**

(a) The Company shall:

(i) redeem each Outstanding Tier 2 Preference Share by paying its Redemption Price into the bank account envisaged in paragraph 8; and

(ii) at or prior to such redemption, deliver to the Holders a resolution acknowledging that the Board has applied the Solvency and Liquidity Test and the Solvency Capital Requirement and has reasonably concluded that the Company will satisfy the Solvency and Liquidity Test and the Solvency Capital Requirement immediately after paying the relevant Tier 2 Preference Share Dividends.

(b) Against payment of the Redemption Price of any Outstanding Tier 2 Preference Share the relevant Holders shall, provided that all the Tier 2 Preference Share Dividends in respect of that Outstanding Tier 2 Preference Share have been paid, surrender its share certificates in respect of that Outstanding Tier 2 Preference Share to the Company, and the Company shall, to the extent that the Company does not redeem all of the Outstanding Tier 2 Preference Shares, issue new share certificates to the relevant Holders reflecting the number of the Outstanding Tier 2 Preference Shares then held by those Holders.

(a) **Cost of Redemption**

The Company shall pay all the costs of redeeming the Outstanding Tier 2 Preference Shares including STT.

6. **VOTING**

(a) No Tier 2 Preference Share shall have any votes except if, and subject to receipt by the Company of any required regulatory approvals, including under the Competition Act and/or the JSE Listings Requirements:

(i) the circumstances in which the JSE Listings Requirements or Companies Act prescribes that the applicable Tier 2 Preference Share shall have a vote, have occurred and are continuing;

(ii) a Trigger Event has occurred and is continuing; or

(iii) the shareholders of the Company propose a resolution which affects the rights and privileges attaching to any Tier 2 Preference Shares or the interests of the Holders of the Tier 2 Preference Shares, including a resolution for the winding-up, commencement of business rescue proceedings or liquidation of the Company, the reduction of the Company's capital or the acquisition by the Company of its shares in terms of section 48 of the Companies Act (save pursuant to a Permitted Distribution).

(b) If the circumstances envisaged in clause 6(a) occur, the Holders shall, at any general meeting of the Company, be entitled to exercise such number and such percentage of votes of the total number of all the votes exercisable at that general meeting as is permitted by the JSE Listings Requirements from time to time.

(c) The Holders will not acquire the voting rights contemplated in paragraph 6(a) if section 43A of the Tax Act were to apply to the Tier 2 Preference Shares as a result of the Holders acquiring such voting rights, unless the Tier 2 Preference Shareholders have notified the Company in writing of their intention to acquire such voting rights.

(d) The Holders shall be entitled to receive notices of all general meetings of the Company (whether or not they are entitled to vote at such meetings).

(e) If the circumstances envisaged in clause 6(a)(iii) occur, the resolution may not be implemented without a special resolution taken by the Holders at a separate meeting.

(f) No preferences, rights, limitations or other terms of the Tier 2 Preference Shares may be varied and no resolution may be proposed to shareholders for rights to include such variation in response to any objectively ascertainable external fact or facts as provided for in Sections 37(6) and 37(7) of the Act.

7. **RETURN OF CAPITAL**

(a) If the Company is liquidated the Holder of each Tier 2 Preference Share shall be entitled to a return of capital equal to:

(i) its Subscription Price (less the amount of any Returns of Capital in respect of that Tier 2 Preference Share); and

(ii) the Accumulated Tier 2 Preference Share Dividends up to the date on which that return of capital is paid to the Holder.

(b) Each Tier 2 Preference Share's right to a return of capital shall rank:

(i) after payment of all amounts due and payable to all policyholders, beneficiaries and non-subordinated creditors of the Company have been paid; and

(ii) in priority to the rights to returns of capital of the Company of any other classes of shares in the Company.

(c) Except for the rights conferred on the Tier 2 Preference Shares in terms of clauses 7(a) and 7(b), no Tier 2 Preference Share shall have any right to participate in excess assets in the event of the Company's liquidation.

GENERAL PROVISIONS

8. **PAYMENTS**

All Tier 2 Preference Share Dividends and Redemption Prices which become payable by the Company under these Tier 2 Preference Share Terms shall be paid into the following account of the Holders:

Account Name:	Investec Bank Limited
Bank:	100 Grayston Drive
Account Number:	30000319277
Branch Code:	580105
SWIFT/BIC Code:	IVESZAJJXXX
Currency:	ZAR
Reference:	[*****]

or such a different account as the Holders may designate on two Business Days written notice to the Company.

9. **GENERAL**

(a) The Company shall not issue any Tier 2 Preference Shares to any person and the Company shall not Dispose of the Tier 2 Preference Shares in any manner to any other person, save to the extent contemplated in the Subscription Agreement and these Tier 2 Preference Share Terms.

(b) These Tier 2 Preference Share Terms may not be modified, altered, varied, added to or abrogated without the prior written consent of the Holders.

(c) No shares in the capital of the Company ranking, as regards rights to dividends, or on a winding-up as regards capital, in priority to or *pari passu* with the Tier 2 Preference Shares shall be created or issued without the prior written consent of the Holders.

(d) A certificate delivered by the Holders to the Company, reflecting the amount owing by the Company to the Holders, will in the absence of manifest error be prima facie proof of the amount owing. The appointment of the director, divisional director, manager or employee of the Holders providing such certification, shall not be required to be proved.

(e) Each Holder shall, within 15 Business Days of becoming a Holder (or if any amount is due and payable to that Holder prior to such 15 Business Day period, before the due date such payment), deliver a duly completed and signed Exemption and Declaration Form to the Company in respect of the Tier 2 Preference Shares held by it.

CLIENTÈLE LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2007/023806/06)
Share code: CLI
ISIN Number: ZAE000117438
("**Clientèle**" or "**the Company**")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including this Notice of General Meeting.

NOTICE IS HEREBY GIVEN that a general meeting of Shareholders will be held at Clientèle's offices on Friday, 13 December 2024 at 08h00, physically at Building 7, Clientèle Office Park, C/O Alon & Rivonia Roads, Morningside, Johannesburg, for purposes of considering and, if deemed fit, passing, with or without modification, the Resolutions set out hereunder.

Note:

- For a special resolution to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on such resolution; and
- For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on such resolution.

SPECIAL RESOLUTION NUMBER 1 – INCREASE OF AUTHORISED SHARE CAPITAL

"**RESOLVED AS A SPECIAL RESOLUTION** that, subject to Special Resolution Number 2, Special Resolution Number 3 and Special Resolution Number 4 the authorised share capital of the Company be and is hereby increased in terms of section 36(2)(a) of the Companies Act by the creation of 6,000 Preference Shares having the preferences, rights, limitations and other terms as set out in Preference Share Terms, so that after such increase the authorised share capital of the Company shall comprise:

- 750,000 000 Shares; and
- 6,000 Preference Shares."

Reason and effect of Special Resolution Number 1

The reason for Special Resolution Number 1 is to increase the authorised share capital of the Company by the creation of 6,000 Preference Shares. The effect of Special Resolution Number 1 is that the Company's authorised share capital will increase by 6,000 Preference Shares.

SPECIAL RESOLUTION NUMBER 2 – AMENDMENT OF THE MOI

"**RESOLVED AS A SPECIAL RESOLUTION** that, subject to Special Resolution Number 1, Special Resolution Number 3 and Special Resolution Number 4 the Company's MOI be and is hereby amended in accordance with Annexure 2 of the Circular in terms of section 16(1)(c) of the Companies Act."

Reason and effect of Special Resolution Number 2

The reason for Special Resolution Number 2 is to obtain the approval of the Shareholders to amend the MOI of the Company, in terms of section 16(1)(c) of the Companies Act. The effect of Special Resolution Number 2 is that the Company's MOI will be amended in accordance with Annexure 2 of the Circular.

SPECIAL RESOLUTION NUMBER 3 – THE PROVISION OF FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION OF SECURITIES

"**RESOLVED AS A SPECIAL RESOLUTION** that, subject to the approval of Special Resolution Number 1, Special Resolution Number 2 and Special Resolution Number 4, the Company be and is hereby authorised to grant the Financial Assistance pursuant to the Preference Share Issuance and in terms of the Preference Share Subscription Agreement and in accordance with the provisions of section 44 of the Companies Act."

Reason and effect of Special Resolution Number 3

The reason for Special Resolution Number 3 is to obtain the approval of the Shareholders to grant the Financial Assistance, in the form of warranties and/or indemnities given by the Company in favour of Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) pursuant to the Preference Share Issuance and in terms of the Preference Share Subscription Agreement, in terms of section 44 of the Companies Act. The effect of Special Resolution Number 3, is that the Company will be authorised to grant the Financial Assistance in the form of warranties and/or indemnities given by the Company in favour of Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) pursuant to the Preference Share Issuance and in terms of the Preference Share Subscription Agreement, in terms of section 44 of the Companies Act.

SPECIAL RESOLUTION NUMBER 4 – AUTHORITY TO UNDERTAKE THE PREFERENCE SHARE ISSUANCE

"**RESOLVED AS A SPECIAL RESOLUTION** that, subject to the approval of Special Resolution Number 1, Special Resolution Number 2 and Special Resolution Number 3, the Company be and is hereby authorised to undertake the Preference Share Issuance and to issue 6 000 Preference Shares to Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) in terms of the Preference Share Issuance, in terms of section 41(3) of the Companies Act and on the terms more fully set out in the Preference Share Subscription Agreement."

Reason and effect of Special Resolution Number 4

The reason for Special Resolution Number 4 is to obtain the approval of the Shareholders to allot and issue the Preference Shares in terms of section 41(3) of the Companies Act. The effect of Special Resolution Number 4 is that the Company will be authorised to allot and issue the Preference Shares in terms of section 41(3) of the Companies Act.

ORDINARY RESOLUTION NUMBER 1 – ISSUING AND ALLOTTING THE PREFERENCE SHARES IN TERMS OF THE MOI

"**RESOLVED AS AN ORDINARY RESOLUTION** that the Company be and is hereby authorised to issue and allot the Preference Shares to Investec or a related entity of Investec (being a nominated wholly owned subsidiary of Investec) in accordance with clause 8.2.2 of the MOI."

Reason and effect of Ordinary Resolution Number 1

The reason for Ordinary Resolution Number 1 is to obtain the approval of the Shareholders to allot and issue the Preference Shares in terms of clause 8.2.2 of the MOI. The effect of Ordinary Resolution Number 1 is that the Company will be authorised to allot and issue the Preference Shares in terms of clause 8.2.2 of the MOI.

RECORD DATES

The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive the Circular and the Notice of General Meeting, was Friday, 8 November 2024.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend, participate and vote at the General Meeting is Friday, 6 December 2024, with the last day to trade being Tuesday, 3 December 2024.

IDENTIFICATION, VOTING AND PROXIES

In terms of the Companies Act, any Shareholder or proxy who intends to attend or participate at the General Meeting ("**Meeting Participants**") must be able to present reasonably satisfactory identification at the meeting for such Shareholder or proxy to attend and participate at the General Meeting. An identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the General Meeting as sufficient identification. If in doubt as to whether any document will be regarded as satisfactory proof of identification, Meeting Participants should contact the Transfer Secretaries for guidance.

Voting at the General Meeting will be conducted by way of a poll.

Dematerialised Shareholders who are not Own-name Registration Dematerialised Shareholders

Dematerialised Shareholders, other than Own-name Registration Dematerialised Shareholders, who wish to attend the General Meeting in person or for their proxy to represent them at the General Meeting, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the Custody Agreement entered into between such Shareholders and their CSDP or Broker.

Dematerialised Shareholders, other than Own-name Registration Dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the Custody Agreement entered into between themselves and their CSDP or Broker in the manner and time stipulated therein.

Certificated Shareholders and Dematerialised Shareholders who are Own-name Registration Dematerialised Shareholders

Certificated Shareholders and Own-name Registration Dematerialised Shareholders are entitled to attend, speak and vote at the General Meeting and may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder.

A Form of Proxy *(grey)*, which sets out the relevant instructions for its completion, is enclosed for use by Certificated Shareholders and Own-name Registration Dematerialised Shareholders who wish to be represented at the General Meeting.

Completion of a Form of Proxy will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

The Form of Proxy and the authority (if any) under which it is signed must be lodged, posted or e-mailed to the Transfer Secretaries at the addresses set out below, to be received by them, for administrative purposes, by no later than 08h00 on Wednesday, 11 December 2024 or thereafter handed to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Hand deliveries to:
The Transfer Secretaries
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196

Postal deliveries to:
The Transfer Secretaries
Private Bag X9000
Saxonwold, 2132

Email deliveries to:
The Transfer Secretaries
proxy@computershare.co.za

By order of the Board

Eben Smit
Clientèle Group Company Secretary

Friday, 15 November 2024

CLIENTÈLE LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2007/023806/06)
Share code: CLI
ISIN Number: ZAE000117438
("**Clientèle**" or "**the Company**")

FORM OF PROXY

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including to this Form of Proxy.

This Form of Proxy is for use at the General Meeting to be held at Clientèle's offices on Friday, 13 December 2024 at 08h00, physically at Building 7, Clientèle Office Park, C/O Alon & Rivonia Roads, Morningside, Johannesburg.

This Form of Proxy is for use by Certificated Shareholders and Own-name Registration Dematerialised Shareholders only who are unable to attend the General Meeting physically.

Dematerialised Shareholders who are not Own-name Registration Dematerialised Shareholders must not complete this Form of Proxy and must provide their CSDP or Broker with their voting instructions. Dematerialised Shareholders who are not Own-name Registration Dematerialised Shareholders wishing to physically attend the General Meeting in person or for their proxy to represent them at the General Meeting, must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

I/We (Full name in print)

of (address)

Telephone: (work) area code ( ) Telephone: (home) area code ( )

Cell phone number: E-mail address:

being the holder of ☐ Shares in Clientèle, hereby appoint:

1. or failing him/her

2. or failing him/her

3. the chairman of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the Resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the Resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	Number of Shares		
	In favour of	**Against**	**Abstain**
SPECIAL RESOLUTION NUMBER 1 – INCREASE OF AUTHORISED SHARE CAPITAL			
SPECIAL RESOLUTION NUMBER 2 – AMENDMENT OF THE MOI			
SPECIAL RESOLUTION NUMBER 3 – THE PROVISION OF FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION OF SECURITIES			
SPECIAL RESOLUTION NUMBER 4 – AUTHORITY TO UNDERTAKE THE PREFERENCE SHARE ISSUANCE			
ORDINARY RESOLUTION NUMBER 1 – AUTHORITY TO ISSUE THE PREFERENCE SHARES IN TERMS OF THE MOI			

Please **indicate** your voting instruction by way of inserting the number of Shares or by a cross in the space provided should you wish all your Shares to be voted.

Signed at on this day of

Signature(s)

Assisted by *(where applicable) (state capacity and full name)*

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be Shareholder(s)) of Clientèle to attend, speak and vote in his/her stead at the General Meeting.

Please read the notes on the reverse side hereof.

Notes to Form of Proxy

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered Shareholder of Clientèle.

2. Every Shareholder present in person or by proxy and entitled to vote at the General Meeting shall, on a show of hands, have one vote only, irrespective of the number of Shares such Shareholder holds. In the event of a poll, every Shareholder shall be entitled to one vote for each Share held and that is eligible to vote at the General Meeting.

3. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairman of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

4. A Shareholder's voting instructions to the proxy must be indicated by inserting the number of Shares that Shareholder wishes the proxy exercise or a cross should the Shareholder wish the proxy to exercise all exercisable votes, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.

5. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries or Company Secretary.

6. To be valid, the completed Form of Proxy must be lodged with, posted to or e-mailed to the Transfer Secretaries, at the addresses set out below, to be received by them, for administrative purposes, by no later than 08h00 on Wednesday, 11 December 2024 or thereafter by handing such form to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Hand deliveries to:
The Transfer Secretaries
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196

Postal deliveries to:
The Transfer Secretaries
Private Bag X9000
Saxonwold, 2132

Email deliveries to:
The Transfer Secretaries
proxy@computershare.co.za

7. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries, the Company Secretary or waived by the chairperson of the General Meeting.

8. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.

9. The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to Clientèle.

10. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.

11. The chairman of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.

ADDITIONAL FORMS OF PROXY ARE AVAILABLE FROM THE TRANSFER SECRETARIES ON REQUEST.