

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations in Section G of this Circular apply, unless the context indicates otherwise, to this entire Circular, including this cover page.

Action required:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Spanjaard Shareholders in relation to the Scheme and the Delisting", in Section D of this Circular, and the section "Action required by Spanjaard Shareholders in relation to the Standby Offer and the Delisting" in Section E of this Circular.
2. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all your Spanjaard Shares, please forward this Circular incorporating the Form of Proxy in respect of the General Meeting, the Form of Surrender and Transfer and the Standby Offer Form to the purchaser of such shares or the Broker, CSDP, banker or other agent through whom the disposal was effected.

Spanjaard and Spanjaard Group do not accept responsibility and will not be held liable for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any registered holder of Spanjaard Shares to notify the holder of any beneficial interest in those shares of the matters set out in this Circular.



SPANJAARD LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1960/004393/06)
Share code: SPA ISIN: ZAE000006938
("Spanjaard" or "the Company")

SPANJAARD GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1962/003015/06)
("Spanjaard Group")

CIRCULAR TO SPANJAARD SHAREHOLDERS

Relating, amongst other things, to:

- a Scheme of Arrangement in terms of section 114(1) of the Companies Act, proposed by the Spanjaard Board between Spanjaard and Spanjaard Shareholders which, if implemented, will result in Spanjaard Group acquiring all of the Scheme Shares from the Scheme Participants for a cash consideration of R3.90 per Scheme Share for Spanjaard Shareholders;
- if the Scheme fails, Spanjaard Group shall automatically make the Standby Offer to Spanjaard Shareholders in terms of section 117(c)(v) of the Companies Act to acquire all of the Standby Offer Shares for a cash consideration of R3.90 per Standby Offer Share, provided that, the consideration paid to each Standby Offer Participant for its Standby Offer Shares shall be rounded down to the nearest cent;
- the Delisting of all of the Spanjaard Shares from the Main Board of the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, implementation of the Standby Offer (in respect of which the approval of the Delisting Resolution in terms of sections 1.13 to 1.16 of the Listings Requirements is a condition precedent); and incorporating, amongst other things:
- a report prepared by the Independent Expert in terms of section 114(3) of the Companies Act and Companies Regulations 90 and 110;
- an extract of section 115 of the Companies Act dealing with the approval requirements for the Scheme;
- a statement of Appraisal Rights as provided for in section 164 of the Companies Act;
- a notice convening the General Meeting;

- a Form of Proxy in respect of the General Meeting for use by Certificated Shareholders and Dematerialised Shareholders with “own-name” registration only;
- a Form of Surrender and Transfer for use by Certificated Shareholders only; and
- a Standby Offer Form for use by Certificated Shareholders only, in connection with the Standby Offer.

Corporate Advisor to Spanjaard



Independent Expert



Sponsor to Spanjaard



Date of issue: 29 October 2021

This Circular is available in English only and appears on the website of the Company at www.spanjaard.biz. Copies of this Circular may also be obtained during normal business hours from the registered office of Spanjaard and the offices of AcaciaCap Advisors Proprietary Limited at their respective addresses set out in the “Corporate Information and Advisors” section of this Circular from Friday, 29 October 2021 until Friday, 26 November 2021 in the event of the Scheme being approved by the Voting Shareholders, or in the event that the Standby Offer is implemented, the Standby Offer Closing Date.

CORPORATE INFORMATION AND ADVISORS

Corporate Information on and Advisors to Spanjaard**Directors**

M Notrica*
 TN Spanjaard^
 S Vassan Makan^
 GF Cort^
 CKT Palmer^
 TJB Botha
 HF Kocks*
 S Zikalala*
 * Independent Non-Executive
 ^ Executive

Registered office

748 – 750, Fifth Street
 Wynberg
 Sandton
 2090

Company Secretary

Levitt Kirson Business Services (Pty) Ltd
 4th Floor, Aloe Grove
 Houghton Estate Office Park
 2 Osborn Road
 Houghton
 2198

Date of incorporation

2 December 1960

Place of Incorporation

South Africa

Sponsor

AcaciaCap Advisors Proprietary Limited
 (Registration number 1998/025284/07)
 20 Stirrup Lane
 Woodmead Office Park
 Woodmead, 2191
 (Suite #439, Private Bag X29, Gallo Manor, 2052)

Transfer Secretaries

Computershare Investor Services (Pty) Limited
 (Registration number 2004/003647/07)
 Rosebank Towers
 15 Bierman Avenue
 Rosebank, 2196
 (Private Bag X9000, Saxonwold, 2132)

Independent Expert

Suez Capital Proprietary Limited
 (Registration number 2017/316437/07)
 245 Marais Street
 Brooklyn
 Pretoria, 0181

Corporate Advisor

Arbor Capital Corporate Services (Pty) Limited
 (Registration number 2016/120671/07)
 20 Stirrup Lane
 Woodmead Office Park
 Woodmead, 2191
 (Suite #439, Private Bag X29, Gallo Manor, 2052)

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IMPORTANT LEGAL NOTICES

The definitions and interpretations in Section G of this Circular shall apply to this section on Important Legal Notices (unless the context requires otherwise).

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Spanjaard and Spanjaard 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.

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. Spanjaard and Spanjaard Group caution 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 Spanjaard and Spanjaard Group operate 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, as regards Spanjaard, made by Spanjaard or, as regards Spanjaard Group, made by Spanjaard Group, as communicated in publicly available documents by the respective companies, all of which estimates and assumptions, although Spanjaard or Spanjaard Group believes them to be reasonable, 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 Spanjaard or Spanjaard Group or not currently considered material by Spanjaard or Spanjaard Group.

Spanjaard 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 Spanjaard or Spanjaard Group not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Spanjaard and Spanjaard Group have no duty to, and do 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 or the Listings Requirements.

FOREIGN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and the Listings Requirements, and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Regulations, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction other than South Africa, or the requirements of any securities exchange other than the JSE.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such other jurisdiction.

This Circular does not constitute a prospectus or a prospectus equivalent document. Spanjaard Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme and the Standby Offer, with care. Any decision to approve the Scheme or to accept the Standby Offer should be made only on the basis of the information in this Circular.

This Circular and any related documentation is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such offer, invitation or solicitation or such offer or solicitation would require Spanjaard or Spanjaard Group to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations. In those circumstances or otherwise if the distribution of this Circular and any accompanying documentation in jurisdictions other than South Africa are restricted or prohibited by the laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

Foreign Shareholders must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning their election to receive the Scheme Consideration or the Standby Offer Consideration, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions and are required to advise Spanjaard of all such filing or regulatory obligations as Spanjaard or Spanjaard Group may be required to comply with in such jurisdictions in relation to the Scheme and the Standby Offer. Spanjaard, Spanjaard Group and their respective boards of directors accept no responsibility for the failure by a Spanjaard Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by Spanjaard or Spanjaard Group to observe the requirements of any jurisdiction.

The Scheme and the Standby Offer are governed by the laws of South Africa (excluding the conflicts of laws rules of that jurisdiction to the extent such rules indicate the application of the laws of any other jurisdiction), and are subject to applicable South African laws and regulations, including the Companies Act, the Takeover Regulations and the Listings Requirements.

The Scheme and the Standby Offer are subject to disclosure requirements in terms of South African law and the Listings Requirements, which disclosure requirements may be different from those of other jurisdictions.

It may be difficult for a Foreign Shareholder to enforce its rights and any claim it may have arising under foreign securities laws, given that Spanjaard is located in South Africa. A Foreign Shareholder may not be able to sue Spanjaard or its officers or directors in a foreign Court, including South African Courts, for violations of the securities laws of jurisdictions other than South Africa. It may be difficult to compel Spanjaard and its affiliates to subject themselves to a non-South African Court's judgement.

Any Spanjaard Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

ACTION REQUIRED BY SPANJAARD SHAREHOLDERS IN RELATION TO THE SCHEME AND THE DELISTING

The definitions and interpretations in Section G of this Circular shall apply, unless the context clearly indicates otherwise, to this section on the action required by Spanjaard Shareholders in relation to the Scheme and the Delisting.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other financial advisor. If you have disposed of all of your Spanjaard Shares, this Circular should be forwarded to the purchaser to whom, or the Broker, CSDP or other agent through whom, the disposal was effected.

A General Meeting of Spanjaard Shareholders is scheduled to be convened at 12h00 on Friday, 26 November 2021 at the Inanda Club, Forrest Road and Sixth Avenue, Inanda, Johannesburg, to consider and, if deemed fit, to pass the Transaction Resolutions. A Notice of General Meeting is attached to, and forms part of, this Circular. In accordance with the provisions of section 61(10) of the Companies Act, the Company intends to make provision for Spanjaard Shareholders and their proxies to participate in the General Meeting by way of telephone conference call.

Spanjaard Shareholders should take careful note of the following provisions regarding the action to be taken by them.

1. DEMATERIALISED SHAREHOLDERS WHO ARE NOT “OWN-NAME” DEMATERIALISED SHAREHOLDERS**1.1 Voting at the General Meeting**

- 1.1.1 If you wish to attend, speak and vote at the General Meeting or appoint a proxy to represent you at the General Meeting, you should instruct your CSDP or Broker to issue you or your proxy, as the case may be, with the necessary letter of representation to attend the General Meeting, in the manner stipulated in the Custody Agreement governing the relationship with your CSDP or Broker. These instructions must be provided to the CSDP or Broker by the deadline advised by the CSDP or Broker for instructions of this nature. You will not be permitted to attend, speak or vote at the General Meeting, or send a proxy to represent you at the General Meeting, without the necessary letter of representation being issued to you.
- 1.1.2 If you do not wish to, or are unable to, attend (or appoint a proxy to represent you) at the General Meeting, but wish to vote thereat, you should contact your CSDP or Broker immediately and furnish your CSDP or Broker with your voting instructions in the manner and by the deadline stipulated in the Custody Agreement governing the relationship with your CSDP or Broker. These instructions must be provided to the CSDP or Broker by the deadline advised by the CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded with your CSDP or Broker.
- 1.1.3 You must **NOT** complete the attached Form of Proxy.

1.2 Surrender of Documents of Title

You must **NOT** complete the Form of Surrender and Transfer, and do not have to surrender any Documents of Title. The transfer of your Scheme Shares will be attended to by your CSDP or Broker.

1.3 Settlement of the Scheme Consideration

If the Scheme becomes operative, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares you are transferring to Spanjaard Group on the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 5.6.1 of Section H of this Circular, on the date set out in paragraph 5.6.1.2 of Section H of this Circular.

2. DEMATERIALISED SHAREHOLDERS WHO ARE “OWN-NAME” DEMATERIALISED SHAREHOLDERS

2.1 Voting at the General Meeting

- 2.1.1 You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person).
- 2.1.2 If you do not wish to or are unable to attend the General Meeting, but wish to be represented thereat, you must complete the attached Form of Proxy in accordance with the instructions contained therein and return it to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to: proxy@computerhare.co.za, to be received by no later than 12h00 on Wednesday, 24 November 2021. Alternatively, the Form of Proxy may be handed to the Chairperson of the General Meeting before the commencement of the General Meeting.

2.2 Surrender of Documents of Title

You must **NOT** complete the Form of Surrender and Transfer and do not have to surrender any Documents of Title. The transfer of your Scheme Shares will be attended to by your CSDP or Broker.

2.3 Settlement of the Scheme Consideration

If you are a Dematerialised Shareholder who is an “own-name” Dematerialised Shareholder who is, or is deemed (pursuant to paragraph 5.6.1 of Section H of this Circular) to be, a Scheme Participant, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares you are transferring to Spanjaard Group pursuant to the Scheme on the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 5.6.1 of Section H of this Circular, on the date contemplated in paragraph 5.6.1.2 of Section H of this Circular.

3. CERTIFICATED SHAREHOLDERS

3.1 Voting at the General Meeting

- 3.1.1 You may attend, speak and vote at the General Meeting.
- 3.1.2 If you do not wish to or are unable to attend the General Meeting in person, but wish to be represented thereat, you must complete the attached Form of Proxy in accordance with the instructions contained therein and return it to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to: proxy@computerhare.co.za, to be received by no later than 12h00 on Wednesday, 24 November 2021. Alternatively, the Form of Proxy may be handed to the Chairperson of the General Meeting before the commencement of the General Meeting.

3.2 Surrender of Documents of Title

- 3.2.1 If the Scheme becomes operative, you will be required to complete the attached Form of Surrender and Transfer in accordance with its instructions and return it, together with your Documents of Title in respect of all of your Spanjaard Shares, to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X3000, Saxonwold, 2132,) in order to claim the Scheme Consideration payable to you.
- 3.2.2 If you wish to expedite receipt of the Scheme Consideration and surrender your Documents of Title in anticipation of the Scheme becoming operative, you should complete the attached Form of Surrender and Transfer and return it, together with the relevant Documents of Title relating to all of your Spanjaard Shares, in accordance with the instructions contained therein, to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X3000, Saxonwold, 2132), to be received by no later than 12:00 on the Scheme Record Date.
- 3.2.3 Documents of Title surrendered in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at your risk, pending the Scheme becoming operative. Your attention is drawn to the fact that if you surrender your Documents of Title in advance, you will be unable to Dematerialise and/or trade in those Spanjaard Shares on the JSE from the date of surrender. However, your right to attend, speak and vote at the General Meeting will remain unaffected.
- 3.2.4 If the Scheme is not implemented, your Documents of Title will be returned to you pursuant to paragraph 3.2.5 of Section D of the Circular.
- 3.2.5 If Documents of Title relating to any Spanjaard Shares to be surrendered are lost or destroyed, Spanjaard may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Spanjaard that the Documents of Title to the Spanjaard Shares in question have been lost or destroyed, and upon provision of an indemnity on terms satisfactory to Spanjaard. Accordingly, if the Documents of Title in respect of any of your Spanjaard Shares have been lost or destroyed, you should nevertheless return the attached Form of Surrender and Transfer, duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.
- 3.2.6 Should the Scheme be proposed at the General Meeting and the Scheme Resolution fail and:
 - 3.2.6.1 you have not accepted the Standby Offer in respect of all your Standby Offer Shares, the Transfer Secretaries shall, within five Business Days of either the Standby Offer Closing Date or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title in respect of your Standby Offer Shares, by registered post, at your own risk; or
 - 3.2.6.2 you have accepted the Standby Offer in respect of all your Standby Offer Shares but the Standby Offer does not become unconditional nor is implemented, the Transfer Secretaries shall, within five Business Days of either the date upon which it becomes known that the Standby Offer will not be implemented or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk.

3.3 Settlement of the Scheme Consideration

- 3.3.1 If the Scheme becomes operative and you have surrendered your Documents of Title to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X3000, Saxonwold, 2132), on or before 12:00 on the Scheme Record Date, the Scheme Consideration will be paid to you by way of EFT on the Scheme Implementation Date.

- 3.3.2 If the Scheme becomes operative and you surrender your Documents of Title after 12:00 on the Scheme Record Date, the Transfer Secretaries will pay it to you by way of EFT to the bank account detailed on the Form of Surrender and Transfer, within five Business Days of receipt of your Documents of Title and Form of Surrender and Transfer, provided that should you:
- 3.3.2.1 be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 5.6.1 of Section H of this Circular, you will still need to surrender your Documents of Title, together with a completed Form of Surrender and Transfer, to the Transfer Secretaries and payment will be made to you by way of EFT on the Form of Surrender and Transfer on the date set out in paragraph 5.6.1.2 of Section H of this Circular; and
 - 3.3.2.2 fail to surrender your Documents of Title and completed Form of Surrender and Transfer to the Transfer Secretaries within five years after the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 5.6.1 of Section H of this Circular, within five years after the date on which you subsequently became a Scheme Participant pursuant to paragraph 5.6.1 of Section H of this Circular, the Scheme Consideration due to you will be paid to the benefit of the Guardian's Fund of the Master of the High Court. In this regard, each such Scheme Participant irrevocably authorises and appoints the Company and/or Spanjaard Group, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participant to pay the Scheme Consideration to the benefit of the Guardian's Fund in the aforesaid manner. For the avoidance of doubt, no interest will accrue for the benefit of Scheme Participants on the Scheme Consideration.
- 3.3.3 Documents of Title surrendered prior to 12:00 on the Scheme Record Date in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at the risk of the Certificated Shareholders, pending the Scheme becoming operative.
- 3.3.4 Should the Scheme not be implemented, any Documents of Title surrendered and held by the Transfer Secretaries will, unless they have also been surrendered for purposes of the Standby Offer, be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

4. GENERAL

4.1 Approval of the Scheme Resolution and the Delisting Resolution at the General Meeting

- 4.1.1 The Scheme must be approved by a special resolution, in accordance with section 115(2)(a) of the Companies Act, at the General Meeting, at which at least three Spanjaard Shareholders are present and sufficient Voting Shareholders are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the General Meeting. In order to be approved, a special resolution must be supported by at least 75% of voting rights exercised thereon.

4.2 Electronic participation at the General Meeting

In accordance with the provisions of section 61(10) of the Companies Act, the Company intends to make provision for Spanjaard Shareholders and their proxies to participate in the General Meeting by way of telephone conference call. Spanjaard Shareholders wishing to do so:

- 4.2.1 should contact the Company at +27 11 386 7100 by no later than 12h00 on Wednesday, 24 November 2021, to obtain a pin number and dial-in details for the conference call;
- 4.2.2 will be required to provide reasonably satisfactory identification;

- 4.2.3 will be billed separately by their own telephone service providers for the telephone call to participate in the General Meeting; and
- 4.2.4 should lodge completed Form(s) of Proxy in accordance with the attendance and voting instructions detailed above.

4.3 Court approval

- 4.3.1 Spanjaard Shareholders are advised that, in accordance with section 115(3) of the Companies Act, Spanjaard may in certain circumstances not proceed to implement the Scheme Resolution, despite the fact that it will have been adopted at the General Meeting, without the approval of the Court.
- 4.3.2 A copy of section 115 of the Companies Act pertaining to the required approval for the Scheme is set out in **Annexure 3** to this Circular.

4.4 Dissenting Shareholders

- 4.4.1 A Spanjaard Shareholder who is entitled to vote at the General Meeting is entitled to seek relief under section 164 of the Companies Act if that Spanjaard Shareholder notified Spanjaard in advance in writing of its intention to oppose the Scheme Resolution, was present at the General Meeting, and voted against the Scheme Resolution and sent the Company a demand contemplated in section 164(5) of the Companies Act.
- 4.4.2 A copy of section 164 of the Companies Act pertaining to Appraisal Rights is set out in **Annexure 4** to this Circular.

4.5 Dematerialisation

If you wish to Dematerialise your Spanjaard Shares, please contact your CSDP or Broker. Spanjaard Shareholders are advised that Dematerialisation will take approximately between one and 10 Business Days, and no Dematerialisation or rematerialisation of Spanjaard Shares may take place after the Scheme LDT, which is expected to be Tuesday, 16 November 2021.

4.6 Foreign Shareholders

Spanjaard Shareholders who are not resident in, or who have registered addresses outside of South Africa, must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Scheme Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Spanjaard Shareholders who are in any doubt as to their positions should consult their professional advisors immediately.

4.7 Taxation

The contents of this Circular do not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Transaction or any other matter for each Spanjaard Shareholder. Spanjaard Shareholders are accordingly advised to consult their professional advisers about their personal legal, regulatory and tax positions regarding the Transaction or any other matter and in particular the receipt of the Scheme Consideration.

4.8 Limitation of Liability

Spanjaard and Spanjaard Group do not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of Spanjaard Shares to notify the holder of any beneficial interest in those shares in respect of the Transaction or any other matter set out in this Circular.

4.9 Takeover Regulation Approvals

The TRP does not consider the commercial advantages or disadvantages of the Transaction in exercising its powers and performing its functions including its review and approval of this Circular in line with section 201(3) of the Companies Act.

ACTION REQUIRED BY SPANJAARD SHAREHOLDERS IN RELATION TO THE STANDBY OFFER AND THE DELISTING

The definitions and interpretations in Section G of this Circular shall apply, unless the context clearly indicates otherwise, to this section on the action required by Spanjaard Shareholders in relation to the Standby Offer.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other financial advisor. If you have disposed of all of your Spanjaard Shares, this Circular should be handed to the purchaser to whom, or the Broker, CSDP or other agent through whom, the disposal was effected.

If the Scheme fails, Spanjaard Group shall be deemed to have made the Standby Offer to the Standby Offer Shareholders, in accordance with the provisions of **Annexure 9**. In such event, Spanjaard will release an announcement on SENS, confirming that the Scheme has failed, and that the Standby Offer has become effective, and advising Spanjaard Shareholders of the salient dates of the Standby Offer. The options available to you in respect of the Standby Offer are to:

- accept the Standby Offer in respect of all (and not part only) of your Standby Offer Shares; or
 - not accept the Standby Offer in respect of all (and not part only) of your Standby Offer Shares.
- If you do not wish to accept the Standby Offer, you do not need to take any further action. If you wish to accept the Standby Offer, you must do so in the manner described below, depending on whether you are a Certificated Shareholder or a Dematerialised Shareholder. You will only be able to accept the Standby Offer in respect of all your Standby Offer Shares and no partial acceptances will be permitted.

ACTION REQUIRED IN RELATION TO THE STANDBY OFFER

1. CERTIFICATED SHAREHOLDERS

1.1 Acceptance of the Standby Offer

If you are a Certificated Shareholder and wish to accept the Standby Offer, you must complete the Standby Offer Form attached to this Circular in accordance with its instructions and forward it, together with your Documents of Title in respect of the relevant Certificated Shares to the Transfer Secretaries, to be received by no later than 12:00 on the Standby Offer Closing Date. The Standby Offer Form may be delivered by hand or sent by registered mail, in each case at your risk, to the following physical or postal address, as the case may be:

Hand deliveries to:

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196

Postal deliveries to:

Computershare Investor Services (Pty) Ltd
Private Bag X3000, Saxonwold, 2132

1.2 Surrender of Documents of Title

You are required to complete the attached Standby Offer Form in accordance with its instructions and return it, together with the Documents of Title representing the relevant Certificated Shares, to the Transfer Secretaries as stipulated in paragraph 1.1 of this Section E of this Circular.

If you wish to surrender your Documents of Title in anticipation of the Standby Offer becoming operative:

1.2.1 you should complete the Standby Offer Form in accordance with its instructions and return it, together with your Documents of Title in respect of all your Standby Offer Shares, to the Transfer Secretaries as stipulated in paragraph 1.1 of this Section E of this Circular; and you will **NOT** be able to Dematerialise and/or trade your Certificated Shares from the date that you surrender your Documents of Title in respect of those shares.

Documents of Title held by Certificated Shareholders in respect of their Certificated Shares that accept the Standby Offer will cease to be of any value, and shall not be good for delivery, from the Standby Offer Closing Date, other than for surrender in terms of the Standby Offer.

1.3 Settlement of Standby Offer Consideration

1.3.1 If the Standby Offer becomes operative and you have surrendered your Documents of Title to the Transfer Secretaries at the address stipulated in paragraph 1.1 of this Section E of this Circular on or before 12:00 on the Standby Offer Closing Date, the Standby Offer Consideration will be paid to you on the Standby Offer Implementation Date by way of EFT.

1.3.2 If the Standby Offer becomes operative and you surrender your Documents of Title after 12:00 on the Standby Offer Closing Date, the Transfer Secretaries will pay it to you by way of EFT within five Business Days of receipt of your Documents of Title and Standby Offer Form, provided that if you duly accepted the Standby Offer but fail to surrender your relevant Documents of Title and completed the Standby Offer Form to the Transfer Secretaries within five years after the Standby Offer Settlement Date, the Standby Offer Consideration due to you will be paid to the benefit of the Guardian's Fund of the Master of the High Court. In this regard, each such Standby Offer Participant irrevocably authorises and appoints the Company and/or Spanjaard Group, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of each such Standby Offer Participant to pay the Standby Offer Consideration to the benefit of the Guardian's Fund in the aforesaid manner. For the avoidance of doubt, no interest will accrue for the benefit of Standby Offer Participants on the Standby Offer Consideration.

1.3.3 Documents of Title surrendered prior to 12:00 on the Standby Offer Closing Date in anticipation of the Standby Offer becoming operative will be held in trust by the Transfer Secretaries, at the risk of the Certificated Shareholders, pending the Standby Offer becoming operative.

2. DEMATERIALISED SHAREHOLDERS

2.1 If you are a Dematerialised Shareholder, you may be contacted by your duly appointed CSDP or Broker in the manner stipulated in the Custody Agreement governing your relationship with your CSDP or Broker and subject to the deadline to ascertain whether or not you wish to accept the Standby Offer. If you wish to accept the Standby Offer, you must notify your CSDP or Broker of your acceptance of the Standby Offer in the time and manner stipulated in the Custody Agreement with your CSDP or Broker.

2.2 If you are a Dematerialised Shareholder and wish to accept the Standby Offer but have not been contacted by your CSDP or Broker, it would be advisable for you to contact and furnish your CSDP or Broker with instructions in regard to the acceptance of the Standby Offer. These instructions must be provided in the manner and by the deadline stipulated in your Custody Agreement and must be communicated by your CSDP or Broker to the Transfer Secretaries **by no later than 12:00 on the Standby Offer Closing Date.**

2.3 You must **NOT** complete the attached Standby Offer Form.

2.4 If you notify your CSDP or Broker of your desire to accept the Standby Offer, you will **NOT** be able to rematerialise and/or trade your Dematerialised Shares from the date on which you

notify your CSDP or Broker of your acceptance of the Standby Offer.

3. ELECTRONIC PARTICIPATION

In accordance with the provisions of section 61(10) of the Companies Act, the Company intends to make provision for Spanjaard Shareholders and their proxies to participate in the General Meeting by way of telephone conference call. Spanjaard Shareholders wishing to do so:

- 3.1 should contact the Company at +27 11 386 7100 by no later than 12h00 on Wednesday, 24 November 2021, to obtain a pin number and dial-in details for the conference call;
- 3.2 will be required to provide reasonably satisfactory identification;
- 3.3 will be billed separately by their own telephone service providers for the telephone call to participate in the General Meeting; and
- 3.4 should lodge completed Form(s) of Proxy in accordance with the attendance and voting instructions detailed above.

4. GENERAL

4.1 Approval of the Delisting Resolution at the General Meeting

- 4.1.1 Spanjaard Shareholders will be requested to approve the Delisting Resolution and the other Transaction Resolutions at the General Meeting.
- 4.1.2 The Delisting Resolution is an ordinary resolution and must be approved in accordance with paragraph 115(a) of the Listings Requirements, at the General Meeting, at which at least three Spanjaard Shareholders are present and sufficient Voting Shareholders are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the General Meeting. In order to be approved, the Delisting Resolution must be supported by more than 50% of voting rights exercised thereon.

4.2 Foreign Shareholders

Spanjaard Shareholders who are not resident in, or who have registered addresses outside of South Africa, must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Standby Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Spanjaard Shareholders who are in any doubt as to their positions should consult their professional advisors immediately.

4.3 Taxation

The contents of this Circular do not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Transaction or any other matter for each Spanjaard Shareholder. Spanjaard Shareholders are accordingly advised to consult their professional advisers about their personal legal, regulatory and tax positions regarding the Transaction or any other matter and in particular the receipt of the Standby Offer Consideration.

4.4 Limitation of Liability

Spanjaard and Spanjaard Group do not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of Spanjaard Shares to notify the holder of any beneficial interest in those shares in respect of the Transaction or any other matter set out in this Circular.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations in Section G of this Circular shall apply to this section.

Record date for Spanjaard Shareholders to be recorded in the Register in order to receive this Circular	Friday, 22 October 2021
Circular posted to Spanjaard Shareholders and notice convening the General Meeting released on SENS on	Friday, 29 October 2021
Notice of General Meeting published in the South African press on	Monday, 1 November 2021
Last day to trade Spanjaard Shares in order to be recorded in the Register to vote at the General Meeting	Tuesday, 16 November 2021
Record date to be eligible to vote at the General Meeting, being the Voting Record Date, by close of trade on	Friday, 19 November 2021
Last date and time for Spanjaard Shareholders to give notice to Spanjaard objecting, in terms of section 164(3) of the Companies Act, to the Scheme Resolution for purposes of the Appraisal Rights by 12h00 on	Friday, 26 November 2021
Proxy forms not lodged with Transfer Secretaries to be handed to the Chairperson of the General Meeting before 12h00	Wednesday, 24 November 2021
General Meeting of Spanjaard Shareholders to be held at 12h00 on	Friday, 26 November 2021
Results of General Meeting released on SENS on	Friday, 26 November 2021
Results of General Meeting published in the South African press on	Monday, 29 November 2021
<i>If the Scheme is approved by Spanjaard Shareholders at the General Meeting with sufficient voting rights such that no Spanjaard Shareholder may require the Company to obtain Court approval for the Scheme as contemplated in Section 115 (3) (a) of the Companies Act:</i>	
Last date for Spanjaard Shareholders who voted against the Scheme Resolution to require Spanjaard to seek Court approval for the Scheme in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of Spanjaard Shareholders at the General Meeting were exercised against the Scheme Resolution	Friday, 3 December 2021
Last date on which Spanjaard Shareholders can make application to the Court in terms of section 164(3)(b)/164 (3)(b) of the Companies Act	Friday, 10 December 2021
Last date for Spanjaard to give notice of adoption of the Scheme Resolution to Spanjaard Shareholders objecting to the Scheme Resolution, in accordance with section 164 of the Companies Act, on	Friday, 10 December 2021

Action

The following dates assume that neither Court approval nor the review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional:

If no Spanjaard Shareholders exercise their rights in terms of Section 115(3)(b) of the Companies Act:

Scheme Finalisation Date expected to be on	Monday, 13 December 2021
Scheme Finalisation Date announcement expected to be released on SENS on	Monday, 13 December 2021
Expected Scheme LDT, being the last day to trade Spanjaard Shares on the JSE in order to be recorded in the Register to receive the Scheme Consideration, on	Tuesday, 4 January 2022
Suspension of listing of Spanjaard Shares on the JSE expected to take place at the commencement of trade on	Wednesday 5 January 2022
Scheme Record Date to be recorded in the Register in order to receive the Scheme Consideration expected to be on or about	Friday, 7 January 2022
Expected Scheme Implementation Date on	Monday, 10 January 2022
Scheme Consideration will be sent by EFT to Certificated Shareholders who have lodged their Form of Surrender and Transfer with the Transfer Secretaries on or prior to 12h00 on the Scheme Record Date, on or about	Monday, 10 January 2022
Dematerialised Scheme Participants expected to have their accounts with their CSDP or Broker credited with the Scheme Consideration on or about	Monday, 10 January 2022
Expected Delisting of Spanjaard Shares on the JSE expected to take place at the commencement of trade on or about	Tuesday, 11 January 2022

Timetable if Scheme Resolution is not approved by Spanjaard Shareholders

If the Scheme fails, Spanjaard Group shall be deemed to have made the Standby Offer to Spanjaard Shareholders (other than Spanjaard Group). In such event, Spanjaard will release an announcement on SENS confirming that the Scheme has failed and that the Standby Offer has become effective and advising Spanjaard Shareholders of the salient dates of the Standby Offer.

Results of General Meeting released on SENS on	Friday, 26 November 2021
Expected date of opening of the Standby Offer (Opening Date) on	Friday, 26 November 2021
Expected Finalisation Announcement published on SENS on	Friday, 26 November 2021
Expected last day to trade to take up the Standby Offer on	Tuesday, 4 January 2022
Expected date of the suspension of the listing of Spanjaard Shares on the JSE on	Wednesday, 5 January 2022
Expected Standby Offer Record Date on	Friday, 7 January 2022
Expected Standby Offer Closing Date at 12:00 on	Friday, 7 January 2022
Expected Standby Offer Payment Date on or about	Monday, 10 January 2022
Expected Delisting of the Spanjaard Shares at commencement of trade on the JSE on	Tuesday, 11 January 2022

Notes:

1. All dates and times may be changed by mutual agreement between Spanjaard Group and Spanjaard (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain regulatory approvals will have been obtained and that no Court approval or review of the Scheme Resolution will be required. Any change in the dates and times will be released on SENS and published in the South African press.
2. Spanjaard Shareholders should note that, as trade in Spanjaard Shares on the JSE is settled through Strate, settlement of trades takes place three Business Days after the date of such trades. Therefore, Spanjaard Shareholders who acquire Spanjaard Shares on the JSE after the last day to trade in Spanjaard Shares in order to be recorded in the Register on the Voting Record Date will not be entitled to vote at the General Meeting.
3. Spanjaard Shareholders who wish to exercise their Appraisal Rights are referred to **Annexure 4** to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.
4. Dematerialised Shareholders, other than those with own-name registration, must provide their CSDP or Broker with their instructions for voting at the General Meeting by the deadline stipulated by their CSDP or Broker in terms of their respective Custody Agreements.
5. No Dematerialisation or rematerialisation of Spanjaard Shares may take place from the Business Day following the Scheme LDT.
6. If the Scheme Resolution is opposed by a sufficient number of Voting Shareholders at the General Meeting so that a Voting Shareholder may require Spanjaard to obtain Court approval of the Scheme, as contemplated in section 115(3)(a) of the Companies Act, and a Voting Shareholder in fact delivers such a request, the dates and times set out above will not be relevant. If this is the case, Spanjaard Shareholders will be notified separately of the applicable dates and times under this process.
7. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
8. If any Voting Shareholder who votes against the Scheme exercises its rights in accordance with section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme, the dates and times set out above will not be relevant. If this is the case, Spanjaard Shareholders will be notified separately of the applicable dates and times under this process.
9. Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Regulations, where applicable, and any such consents or dispensations must be specifically applied for and granted.
10. All times referred to in this Circular are references to South African time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, 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:

“Appraisal Rights”	the rights afforded to Spanjaard Shareholders in terms of section 164 of the Companies Act, as set out in Annexure 4 to this Circular;
“Beneficial Owner”	a person on whose behalf any Dematerialised Share (not held in own-name form) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement;
“Broker”	any person registered as a “ <i>broking member (equities)</i> ” in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day which is not a Saturday, Sunday or official public holiday in South Africa;
“Cautionary Announcements”	the announcement released by the Company on SENS on 16 April 2021 advising Spanjaard Shareholders that the Company has received a non-binding expression of interest to acquire all the issued shares of the Company and which could possibly result in an offer being made to all Spanjaard Shareholders and the subsequent renewals thereof, the last of which, dated 16 August 2021, was issued prior to the signing of the Implementation Agreement;
“Certificated Scheme Participant”	a Scheme Participant who holds Certificated Shares;
“Certificated Share”	a Spanjaard Share which has not been Dematerialised, and title to which is evidenced by a Document of Title;
“Certificated Shareholder”	a Spanjaard Shareholder who holds Certificated Shares;
“Circular”	this circular to Spanjaard Shareholders, dated Friday, 29 October 2021, together with the annexures hereto, including the Notice of General Meeting, the Form of Proxy, the Form of Surrender and Transfer and the Standby Offer Form;

“Closing Settlement Arrangements”	the arrangements made between Spanjaard Group and Spanjaard to ensure that the Scheme Consideration will be discharged in terms of the Scheme on the Scheme Implementation Date and that Spanjaard Group will be bound and in a position to discharge the Scheme Consideration to Spanjaard or its agents in terms of the Scheme on the Scheme Implementation Date, including (without limitation) the provision by Spanjaard Group to the TRP and Spanjaard of the cash confirmation referred to in paragraph 5.8 of Section H of this Circular;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“the Company” or “Spanjaard”	Spanjaard Limited (Registration number 1960/004393/06), a public company duly registered and incorporated in accordance with the laws of South Africa, whose shares are listed on the Main Board of the JSE;
“Companies Act”	the Companies Act, 71 of 2008, as amended or re-enacted from time to time;
“Companies Regulations”	the Companies Regulations, 2011, promulgated in terms of section 223, and item 14 of Schedule 5, of the Companies Act, as amended from time to time;
“Court”	any South African court of competent jurisdiction;
“CSDP”	Central Securities Depository Participant as defined in the Financial Markets Act;
“Custody Agreement”	the custody agreement between a Dematerialised Shareholder and a CSDP or Broker governing their relationship in respect of Dematerialised Shares held by the CSDP or Broker;
“Delisting”	the termination of the listing of all the Spanjaard Shares from the Main Board of the JSE pursuant to the Scheme becoming operative; or, if the Scheme fails, pursuant to the approval of the Delisting Resolution by Spanjaard Shareholders at the General Meeting;
“Delisting Resolution”	the ordinary resolution to be proposed at the General Meeting to approve the delisting of the Spanjaard Shares from the Main Board of the JSE in terms of section 114(a) of the Listings Requirements;

“Dematerialise” or “Dematerialised” or “Dematerialisation”	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in a company’s uncertificated securities registered administered by a CSDP;
“Dematerialised Share”	a Spanjaard Share that has been Dematerialised;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dissenting Shareholders”	the Spanjaard Shareholders who validly exercise their Appraisal Rights by, among other things, objecting in advance to, and voting against the Scheme Resolution at the General Meeting and by demanding, in terms of sections 164(5) and 164(8) of the Companies Act, that the Company pay them the fair value of their Spanjaard Shares;
“Documents of Title”	share certificates, certified transfer forms, balance receipts or any other physical documents of title pertaining to Shares acceptable to the Spanjaard Board;
“EFT”	Electronic Funds Transfer;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended from time to time;
“Excluded Dissenting Shareholders”	Dissenting Shareholders who accept an offer made to them by the Company in accordance with section 164(11) of the Companies Act or, pursuant to an order of Court, tender their Spanjaard Shares to the Company in accordance with section 164(15)(v) of the Companies Act;
“Excluded Shares”	the 2 300 284 Spanjaard Shares held by Spanjaard Group;
“Financial Markets Act”	the Financial Markets Act, 19 of 2012, as amended from time to time;
“Firm Intention Announcement”	the joint firm intention announcement by Spanjaard and Spanjaard Group released on SENS on 27 August 2021;
“Form of Proxy”	the form of proxy attached to this Circular or use by Certificated Shareholders and Dematerialised Shareholders with “own-name” registration only, for appointment of a proxy to represent such Shareholders at the General Meeting;
“Form of Surrender and Transfer”	the form of surrender and transfer of Documents of Title attached to this Circular to be completed by Certificated Shareholders (only);
“Foreign Shareholder”	a Spanjaard Shareholder who is not a resident in, or who has a registered address outside of South

	Africa, as contemplated in the Exchange Control Regulations;
“General Meeting”	the general meeting of Spanjaard Shareholders (including any adjournment or postponement thereof) to be held at 12h00 on Friday, 26 November 2021 at the Inanda Club, Forrest Road and Sixth Avenue, Inanda, Johannesburg, to consider and, if deemed fit, to pass, with or without modification, the Transaction Resolutions;
“Group” or “Group Company”	in relation to: (i) Spanjaard Group, means Spanjaard Group and its subsidiaries, other than the Company and the Company’s Subsidiaries; and (ii) the Company, means the Company and its Subsidiaries;
“Implementation Agreement”	the agreement entitled “Implementation Agreement” between Spanjaard Group and the Company concluded on 26 August 2021;
“Independent Board”	collectively, Messrs M Notrica, HF Kocks, S Vassan Makan and S Zikalala;
“Independent Expert” or “xxx”	Suez Capital (Registration number 2017/316437/07), a private company duly incorporated and registered in accordance with the laws of South Africa, whose details appear in the “Corporate Information and Advisors” section of this Circular;
“Irrevocable Undertakings”	the undertakings provided to Spanjaard Group by the Spanjaard Shareholders whose names are set out in paragraph 9 of Section H of this Circular, to attend the General Meeting in person or by proxy and to vote in favour of the Transaction Resolutions;
“JSE”	the exchange licensed under the Financial Markets Act and operated by JSE Limited (Registration number 2005/022939/06), a public company duly incorporated and registered in accordance with the laws of South Africa;
“Listings Requirements”	the Listings Requirements issued by the JSE, as amended from time to time;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Thursday, 21 October 2021;

“Long Stop Date”	the date falling on the 120th day after the date of publication of the Firm Intention Announcement, being Monday, 4 January 2022, or such later date as may be agreed in writing between Spanjaard and Spanjaard Group;
“MOI”	the Memorandum of Incorporation of Spanjaard;
“Notice of General Meeting”	the notice convening the General Meeting which is attached to this Circular;
“Parties”	Spanjaard and Spanjaard Group, and “Party” means either of them as the context may require;
“Rand” or “R” or “ZAR”	South African Rand, being the official currency of South Africa;
“Register”	Spanjaard securities register, including the relevant sub-registers of the CSDP(s) administering the sub-registers of the Company, and the register of disclosures in relation to the Company;
“SARB”	South African Reserve Bank;
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement in terms of section 114(1) (read with section 115) of the Companies Act, to be proposed by the Spanjaard Board between the Company and the Spanjaard Shareholders, as set out in this Circular, and which, if implemented, will result in Spanjaard Group acquiring all the Scheme Shares held by the Scheme Participants for the Scheme Consideration (subject to any modification or amendment made thereto to which the Company and Spanjaard Group may agree in writing (and which the TRP approves, to the extent that the TRP's approval is required));
“Scheme Conditions”	the suspensive conditions to the implementation of the Scheme, as set out in paragraph 5 of Section H of this Circular and Scheme Condition means any one of them, as the context may require;
“Scheme Consideration”	a cash consideration payable by Spanjaard Group of R8 971 107.60 (calculated as R3.90 for every Scheme Share;
“Scheme Finalisation Date”	the date on which the “finalisation date announcement” (as contemplated by the Listings Requirements) is released on SENS, which date shall fall on the first Business Day following the date on which the Scheme Conditions are fulfilled or waived, as the case may be, which is expected to be Monday, 13 December 2021 (or such other day as the JSE may direct);
“Scheme Implementation Date”	the date on which the Scheme is implemented, which date is intended to fall on the Monday immediately following the Scheme Record Date (or

	such other day as the JSE may direct) which is expected to be Monday, 10 January 2022;
“Scheme LDT”	the last day to trade Spanjaard Shares on the JSE in order to be registered in the Register on the Scheme Record Date and therefore receive the Scheme Consideration, being the first Friday on which trading on the JSE occurs following the week in which the Scheme Finalisation Date occurs, which is expected to be Tuesday, 4 January 2022 (or such other date as the JSE may direct);
“Scheme Participants”	all persons who are recorded as Spanjaard Shareholders in the Register on the Scheme Record Date, excluding Spanjaard Group and Dissenting Shareholders who have not, whether voluntarily or pursuant to a final order of the Court, withdrawn their demands made in terms of sections 164(5) to 164(8) of the Companies Act on or before the Scheme Record Date, or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse before the Scheme Record Date, being persons who are entitled to receive the Scheme Consideration (it being recorded that, if, in respect of any Spanjaard Share, a person is the registered holder of such share, and one or more persons has/have a beneficial interest in such share in terms of the register of disclosures of the Company, only one of those persons shall be entitled to receive the Scheme Consideration for that Share);
“Scheme Record Date”	the date on, and time at, which a person must be recorded in the Register in order to be eligible to receive the Scheme Consideration, which is expected to be 17:00 on the first Friday following the Scheme LDT (or such other date and time as the JSE may direct);
“Scheme Resolution”	the special resolution by Spanjaard Shareholders, as contemplated in section 115(2) of the Companies Act to approve the Scheme, which is proposed to be passed at the General Meeting;
“Scheme Shares”	Spanjaard Shares held by a Scheme Participant on the Scheme Record Date, which for the avoidance of doubt, excludes the Spanjaard Shares held by Spanjaard Group;
“SENS”	the Stock Exchange News Service of the JSE;
“Signature Date”	the date upon which the Implementation Agreement was signed by Spanjaard Group and the Company, being 26 August 2021;
“South Africa”	the Republic of South Africa;
“Spanjaard Board” or “Spanjaard Directors”	the Board of Directors of Spanjaard for the time being and from time to time, which as at the Last

	Practicable Date comprises those persons whose names are set out in Section A of this Circular;
“Spanjaard Group”	Spanjaard Group Limited, (Registration number 1962/003015/06), a public company duly registered and incorporated in accordance with the laws of South Africa and the holder of 71.75% of the Spanjaard Shares as at the Last Practicable Date. The shareholders of Spanjaard Group are TN Spanjaard – 75% and TJB Botha – 25%;
“Spanjaard Group Board” or “Spanjaard Group Directors”	the directors of Spanjaard Group for the time being and from time to time, which as at the Last Practicable Date, comprises Ms TN Spanjaard and Mr TJB Botha;
“Spanjaard Group Shares” “Spanjaard Share”	an issued ordinary share in Spanjaard Group; an issued ordinary share in the Company with a par value of R0.05;
“Spanjaard Shareholder”	the holder of a Spanjaard Share;
“Standby Offer”	if the Scheme is proposed and the Scheme Resolution fails, the automatic general offer by Spanjaard Group to Spanjaard Shareholders as contemplated by section 117(1)(c)(v) of the Companies Act, the full terms and conditions of which are set out in Annexure 9 of this Circular, and as the context requires, the sale and purchase of Spanjaard Shares arising from acceptance of such offer;
“Standby Offer Closing Date”	the closing date of the Standby Offer, which date shall be 12:00 on the first Friday following the expiry of 10 Business Days after fulfilment or waiver of the Standby Offer Conditions, or the 30th Business Day after the Standby Offer Opening Date, whichever is the later, but subject to any extension of that date by Spanjaard Group in accordance with paragraph 4.3 of Annexure 9;
“Standby Offer Conditions”	the suspensive conditions to the implementation of the Standby Offer set out in Annexure 9 of this Circular, and “Standby Offer Condition” means any one of them, as the context may require;
“Standby Offer Consideration”	R3.90 per Standby Offer Share payable in cash and paid prior to the Standby Offer Implementation Date (or payable to persons who were Spanjaard Shareholders prior to the Standby Offer Implementation Date);
“Standby Offer Form”	the form of acceptance, surrender and transfer of Spanjaard Shares for use by Certificated Shareholders (only) in respect of the Standby Offer which may be made by Spanjaard Group, if it so elects, to the Standby Offer Shareholders under the terms herein;

“Standby Offer Implementation Date”	the date on which the Standby Offer is implemented;
“Standby Offer LDT”	the last day to trade Spanjaard Shares on the JSE in order to be registered in the Register on the Standby Offer Closing Date and therefore receive the Standby Offer Consideration, which is expected to be Tuesday, 4 January 2022 (or such other date as the JSE may direct);
“Standby Offer Opening Date”	the opening date of the Standby Offer, being 09:00 on the 1st Business Day following the date on which it is announced on SENS that the Scheme has failed and that the Standby Offer is open for acceptance;
“Standby Offer Payment Date”	in relation to a Spanjaard Shareholder, a period of six Business Days after: <ul style="list-style-type: none"> (i) the Standby Offer being declared unconditional in all respects as contemplated by regulation 102(12)(a) of the Takeover Regulations; and (ii) acceptance of the Standby Offer by such Spanjaard Shareholder;
“Standby Offer Participant”	Spanjaard Shareholders (excluding Spanjaard Group) who lawfully and validly accept the Standby Offer by the Standby Offer Closing Date and who are thus entitled, subject to the Standby Offer becoming unconditional, to receive the Standby Offer Consideration (it being recorded that, if, in respect of any Spanjaard Share, a person is the registered holder of such share, and one or more persons has/have a beneficial interest in such share in terms of the register of disclosures of the Company, only one of those persons shall be entitled to receive the Standby Offer Consideration for that share);
“Standby Offer Period”	the period from the Standby Offer Opening Date to the Standby Offer Closing Date;

“Standby Offer Share”	those Spanjaard Shares beneficially held by Standby Offer Participants on the Standby Offer Closing Date, in respect of which the Standby Offer Participants have accepted the Standby Offer (a Standby Offer Participant may only accept the Standby Offer in respect of all (and not part only) of the Spanjaard Shares held by it);
“Standby Offer Settlement Date”	the date on which the Standby Offer Consideration will be settled, being within six Business Days after the later of the Standby Offer being declared wholly unconditional and the acceptance of the Standby Offer by the Standby Offer Participants, provided that the final Standby Offer Settlement Date shall be the Standby Offer Implementation Date;
“Strate”	the electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, used by the JSE and operated by Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated and registered in accordance with the laws of South Africa;
“Sub-register”	the record of dematerialised shares administered and maintained by a CSDP and which forms part of a company's securities register as defined in the Companies Act, excluding nominees;
“Takeover Regulations”	the Takeover Regulations prescribed by the Minister of Trade and Industry in terms of section 120 of the Companies Act;
“Transaction”	all transactions contemplated by this Circular, including the Scheme and the Standby Offer;
“Transaction Resolutions”	the Scheme Resolution, the Delisting Resolution and any other resolutions set out in the Notice of General Meeting;
“Transfer Secretaries” or “Computershare”	the transfer secretaries of the Company, being Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly incorporated and registered in accordance with the laws of South Africa;
“TRP”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
“VWAP”	the volume weighted average traded price;
“Voting LDT”	the last day to trade on the JSE to be able to vote at the General Meeting, being Tuesday, 16 November 2021;
“Voting Record Date”	the date on which a Voting Shareholder must be recorded in the Register in order to be eligible to attend, speak and vote on any of the Transaction

“Voting Shareholders”

in respect of any of the Transaction Resolutions, those persons recorded as Spanjaard Shareholders in the Register at the close of business on the Voting Record Date, excluding Spanjaard Group, who are in terms of the Companies Act, the MOI and the Listings Requirements entitled to vote on that Transaction Resolutions at the General Meeting, as more fully set out in this Circular (it being recorded that, if, in respect of any Spanjaard Share, a person is the registered holder of such Spanjaard Share, and one or more persons has/have a beneficial interest in such Spanjaard Share in terms of the register of disclosures of the Company, only one of those persons shall be entitled to vote in respect of that Spanjaard Share).

The following shall apply throughout this Circular, unless the context clearly provides otherwise:

1. References to one gender include all genders and references to the singular include the plural and vice versa;
2. Any reference to a time of day is a reference to South African Standard Time, unless a contrary indication appears;
3. A reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
4. A reference to any agreement or document referred to in this Circular is a reference to that agreement or document as amended, revised, varied, novated or supplemented at any time;
5. Should any provision in a definition be a substantive provision conferring rights or imposing obligations on any person, effect shall be given to that provision as if it were a substantive provision in the body of this Circular;
6. Where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day;
7. The use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s;
8. References to law and regulation or any similar such word shall be deemed to include the Listings Requirements; and
9. No rule of construction shall be applied to the disadvantage of a party because that party was responsible for or participated in the preparation of this Circular or any part of it.

**SPANJAARD LIMITED**

(Incorporated in the Republic of South Africa)
 (Registration number 1960/004393/06)
 Share code: SPA ISIN: ZAE000006938
 (“Spanjaard” or “the Company”)

SPANJAARD GROUP LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1962/003015/06)
 (“Spanjaard Group”)

Directors of Spanjaard

M Notrica*
 TN Spanjaard (CEO)^
 S Vassan Makan (CFO)^
 GF Cort^
 CKT Palmer^
 TJB Botha
 HF Kocks*
 S Zikalala*
 * Independent Non-Executive
 ^ Executive

Directors of Spanjaard Group

TN Spanjaard
 TJB Botha

CIRCULAR TO SPANJAARD SHAREHOLDERS**1. INTRODUCTION**

- 1.1 Spanjaard Shareholders are referred to the Firm Intention Announcement released on SENS on Friday, 27 August 2021, in terms of which it was announced that Spanjaard Group and the Company had entered into the Implementation Agreement which constituted notification by Spanjaard Group of its firm intention to make an offer, as contemplated by the Takeover Regulations, to acquire all of the Spanjaard Shares not already held by Spanjaard Group by way of two separate but concurrent offers comprising::
- 1.1.1 a scheme of arrangement in terms of section 114 of the Companies Act, to be proposed by the Spanjaard Board between the Company and Spanjaard Shareholders (other than Spanjaard Group) upon the terms and subject to the conditions set out in this Circular, and which, if implemented, will result in Spanjaard Group acquiring the Scheme Shares from each Scheme Participant for the Scheme Consideration; or
- 1.1.2 the concurrent, but separate, Standby Offer, in accordance with the provisions of Annexure 9 to this Circular).
- 1.2 Should the Scheme be implemented:
- 1.2.1 Spanjaard Group will become the registered and beneficial owner of all the Scheme Shares; and
- 1.2.2 Scheme Participants will receive the Scheme Consideration for every one Scheme Share held by them on the Scheme Record Date, for an aggregate consideration payable by Spanjaard Group of R8 971 107.60 (being R3.90 times 2 300 284 Spanjaard Shares, being the current aggregate number of Scheme Shares).

- 1.3 The Scheme and the Standby Offer are proposed concurrently on the basis that implementation of the Standby Offer will be conditional on, *inter alia*, the Scheme not becoming unconditional and operative. In this regard, if the Scheme becomes unconditional and operative, the Standby Offer will lapse. Alternatively, if the Scheme does not become unconditional and operative and the Standby Offer becomes wholly unconditional, the Standby Offer will become effective.
- 1.4 If the Scheme or the Standby Offer is implemented, the Spanjaard Shares will be delisted from the Main Board of the JSE, and the JSE has, to the extent required, approved the suspension of the listing of the Spanjaard Shares on the Main Board of JSE with effect from the commencement of trading on the JSE on the Business Day following the Scheme LDT and, subject to the Scheme or the Standby Offer becoming operative, the Delisting of the Company on the JSE from the commencement of trading on the Business Day following the Scheme Implementation Date or the Standby Offer Implementation Date, as the case may be.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to:

- 2.1 provide Spanjaard Shareholders with the relevant information regarding the Scheme and the Standby Offer, including, *inter alia*, the report of the Independent Expert prepared in accordance with the requirements of section 114(3) of the Companies Act, Companies Regulations 90 and 110 and section 1.14(d) of the Listings Requirements;
- 2.2 advise Spanjaard Shareholders of the opinion of the Independent Board and the Spanjaard Board in respect of the Scheme and the Standby Offer;
- 2.3 give notice convening the General Meeting in order to consider and, if deemed fit, to pass the Transaction Resolutions in accordance with the Companies Act, the Takeover Regulations and the Listings Requirements. A Notice of General Meeting is attached to, and forms part of, this Circular; and
- 2.4 inform Spanjaard Shareholders of their Appraisal Rights.

3. BACKGROUND INFORMATION ON SPANJAARD AND SPANJAARD GROUP

3.1 Information on Spanjaard

The Company is a manufacturer and distributor of special lubricants and allied chemical products for industrial and consumer/automotive applications. Subsidiaries comprise one company producing anti-friction powders which has ceased manufacturing operations, one property company which supports the business operations, one foreign company trading in the Netherlands and one dormant company in the United Kingdom which was closed down and deregistered on 26 March 2019.

In addition to its core business, the Company has a dedicated food aerosol production facility, making Spanjaard a supplier of a variety of household food brands to the local and international market.

3.2 Information on Spanjaard Group

Spanjaard Group Limited was formed in 1962 and is the holding company of Spanjaard. It holds 71.8% of the issued ordinary share capital of Spanjaard Limited as well as certain of the patents for products manufactured by Spanjaard Limited.

4. RATIONALE FOR THE SCHEME AND KEY BENEFITS OF THE SCHEME AND THE STANDBY OFFER FOR SPANJAARD SHAREHOLDERS

4.1 Rationale

- 4.1.1 The primary rationale for the Transaction is to delist Spanjaard and provide the Company with the flexibility required to do transactions, including BEE transactions, without the requirements of a circular due to the low market capitalisation of the Company, which introduces substantial delays and costs associated therewith.
- 4.1.2 The liquidity in trading of Spanjaard shares have been poor over the recent past and as a result the company did not receive all the benefits it would normally expect to receive as a listed company.
- 4.1.3 As a result of the above, Spanjaard Group is of the view that it is unsustainable for Spanjaard to maintain its listing on the JSE and the Delisting will result in substantial cost and management time savings.
- 4.1.4

4.2 Key Benefits of the Scheme and Standby Offer for Spanjaard Shareholders

- 4.2.1 Liquidity in trading in Spanjaard shares have been fairly limited on the JSE in recent years and the Transaction will provide a liquidity opportunity for Spanjaard Shareholders at an attractive premium. In the past, trades in even small volumes, have driven the Spanjaard Share price down.
- 4.2.2 The Scheme Consideration and the Standby Offer Consideration are priced at a premium compared to the historical Spanjaard Share price as follows:

	Share Price	Premium %
30-day VWAP (cents) (Note 1)	310.52	25.6%
Closing price (cents) (Note 2)	334.00	16.8%
30-day VWAP (cents) (Note 3)	274.69	42.0%
Closing price (cents) (Note 4)	281.00	38.8%

Notes:

- 1. The 30-day VWAP of a Spanjaard Share traded on the JSE up to Wednesday, 25 August 2021, being the last Business Day immediately prior to the Signature Date.
- 2. The closing price of a Spanjaard Share traded on the JSE as Wednesday, 25 August 2021, being the last Business Day immediately prior to the Signature Date.
- 3. The 30-day VWAP of a Spanjaard Share traded on the JSE up to Wednesday, 15 April 2021, being the last Business Day immediately prior to the date when the first of the Cautionary Announcements were released on SENS.
- 4. The closing price of a Spanjaard Share traded on the JSE as at Thursday 15 April 2021, being the last Business Day immediately prior to the date when the first of the Cautionary Announcements were released on SENS.
- 5. The Scheme Consideration is determined on the basis that the cash consideration of R3.90 per Scheme Share is payable to Spanjaard Shareholders as at the Scheme Implementation Date.

5. TERMS AND CONDITIONS OF THE SCHEME

In terms of section 114(1)(c) of the Companies Act, the Spanjaard Board proposes the Scheme, on the terms set out in this section H (paragraphs 5 to 21) of the Circular, between the Company and Spanjaard Shareholders (other than Spanjaard Group Shares). The Scheme will constitute an “affected transaction” as defined in section 117(1)(c) of the Companies Act, and will be implemented in accordance with the Companies Act and the Takeover Regulations, and will be regulated by the TRP.

5.1 The Scheme

- 5.1.1 In terms of the Scheme, Spanjaard Group will acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration.
- 5.1.2 Subject to the Scheme becoming unconditional, with effect from the Scheme Implementation Date:
 - 5.1.2.1 the Scheme Participants (whether or not they voted in favour of the Scheme or abstained or refrained from voting) shall be deemed to have disposed of (and will be deemed to have undertaken to transfer) each of their Scheme Shares (including all rights, interests and benefits attaching thereto), free of encumbrances, to Spanjaard Group on the Scheme Implementation Date, in exchange for the Scheme Consideration, and Spanjaard Group shall be deemed to have acquired registered and beneficial ownership, free of encumbrances, of each such Scheme Share as of the Scheme Implementation Date, and the Scheme Participants will no longer be Spanjaard Shareholders;
 - 5.1.2.2 the disposal and transfer by each Scheme Participant of the Scheme Shares held by each such Scheme Participant to Spanjaard Group and the acquisition and ownership of those Scheme Shares by Spanjaard Group, pursuant to the provisions of the Scheme, shall be effected on the Scheme Implementation Date;
 - 5.1.2.3 each Scheme Participant shall be deemed to have transferred to Spanjaard Group, on the Scheme Implementation Date, all of the Scheme Shares held by such Scheme Participant, without any further act or instrument being required; and
 - 5.1.2.4 Scheme Participants shall be entitled to receive the Scheme Consideration for each Scheme Share transferred to Spanjaard Group in terms of the Scheme, subject to the remaining provisions of paragraph 5 of Section H of this Circular;
- 5.1.3 Each Scheme Participant irrevocably, unconditionally and *in rem suam* authorises and empowers Spanjaard, as principal, with power of substitution, to cause the Scheme Shares disposed of by that Scheme Participant in terms of the Scheme to be transferred to, and registered in the name of, Spanjaard Group on or at any time after the Scheme Implementation Date, and to do all such things and take all such steps (including the signing of any transfer form) as Spanjaard, in its discretion considers necessary in order to effect that transfer and registration.
- 5.1.4 Spanjaard Group will, on or before the Scheme Implementation Date, deliver or cause such delivery (or have caused such delivery) to Strate and the Transfer Secretaries, each as agent for and on behalf of the Company, a cash amount in ZAR equal to the total Scheme Consideration to which Scheme Participants are entitled and each such agent for and on behalf of the Company will, once it has received same, discharge the Scheme Consideration due to Scheme Participants in terms of the Scheme.
- 5.1.5 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Spanjaard Group may otherwise be, or claim to be, entitled against any Scheme Participant.

- 5.1.6 Spanjaard, as principal, shall procure that Spanjaard Group complies with its obligations under the Scheme, and Spanjaard alone shall have the right to enforce those obligations (if necessary) against Spanjaard Group.
- 5.1.7 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against Spanjaard only. Scheme Participants will be entitled to require Spanjaard to enforce its rights in terms of the Scheme against Spanjaard Group.
- 5.1.8 The effect of the Scheme, *inter alia*, will be that Spanjaard Group will, with effect from the Scheme Implementation Date, become the registered and beneficial owner of all the Scheme Shares, free of encumbrances.
- 5.1.9 Spanjaard and Spanjaard Group have agreed that, upon the Scheme becoming unconditional, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to the Scheme.
- 5.1.10 The Scheme shall be governed by the laws of South Africa (excluding the conflicts of laws rules of that jurisdiction to the extent such rules require the application of the laws of any other jurisdiction) only. Each Spanjaard Shareholder shall be deemed to have irrevocably submitted and consented to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg in relation to all matters arising out of or in connection with the Scheme.
- 5.1.11 Without prejudice to any other rights and remedies which the Company or Spanjaard Group may have, each of the Company and Spanjaard Group acknowledges and agrees that damages may not be an adequate remedy for any breach of the provisions of the Scheme and each of the Company and Spanjaard Group shall be entitled to seek the remedies of interdict, specific performance and other equitable relief (and neither the Company nor Spanjaard Group shall contest the appropriateness or availability thereof), for any threatened or actual breach of any such provision of the Scheme by the other of them and no proof of special damages shall be necessary for the enforcement by the Company or Spanjaard Group of the rights under the Scheme.
- 5.1.12 The rights and obligations of the Company and/or Spanjaard Group, and/or of any Scheme Participant may not be ceded, delegated, assigned or otherwise transferred.
- 5.1.13 No failure of the Company or Spanjaard Group to exercise, and no delay by it in exercising any right, power or remedy in connection with the Scheme (each a "**Right**") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right.
- 5.1.14 If any provision of the Scheme (other than a material provision of the Scheme) shall be held to be illegal, invalid or unenforceable, in whole or in part, under the law of any jurisdiction, the legality, validity or enforceability of such provision or part under the law of any other jurisdiction and the legality, validity and enforceability of the remainder of this Scheme shall not be affected.

5.2 Scheme Conditions

The Scheme is subject to the fulfilment, or waiver (in whole or in part), of the following conditions precedent by the Long Stop Date or such other date as may be specified in relation to a particular Scheme Condition:

- 5.2.1 the passing of the Scheme Resolution at the General Meeting by the requisite majority of Spanjaard Shareholders, as contemplated in section 115(2) of the Companies Act;
- 5.2.2 the passing of the Delisting Resolution at the General Meeting by the requisite majority of Spanjaard Shareholders, as contemplated in section 1.16 of the Listing Requirements;

- 5.2.3 if section 115(2)(c) of the Companies Act becomes applicable, the approval of the Scheme by the Court; and, if applicable, the Company not treating the Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act. In order to establish whether such approval is required if less than 15% of the votes exercised on the Scheme Resolution were opposed to the Scheme Resolution, Spanjaard shall not implement the Scheme Resolution until either a period of 10 Business Days has elapsed since the vote without any Spanjaard Shareholder who opposed the Scheme Resolution applying for leave to apply to a Court for a review of the Scheme or, if any such application is made by such a Spanjaard Shareholder, such application is unsuccessful. If such approval of a Court is required, Spanjaard shall, at the reasonable cost and expense of Spanjaard Group, seek such approval and shall not treat the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act unless requested to do so by Spanjaard Group;
- 5.2.4 in relation to any objection to the Scheme by Spanjaard Shareholders, either:
- 5.2.4.1 no Spanjaard Shareholders give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution at the General Meeting; or
- 5.2.4.2 if any Spanjaard Shareholders do give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution at the General Meeting, Spanjaard Shareholders give such notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution at the General Meeting in respect of no more than 5% of all of the Spanjaard Shares; or
- 5.2.5 if Spanjaard Shareholders do give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution at the General Meeting in respect of more than 5% of all the Spanjaard Shares, such Spanjaard Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% of all the Spanjaard Shares within 30 Business Days following the General Meeting; the receipt of all approvals, consents or waivers, unconditionally, from South African governmental and other South African regulatory authorities necessary for the implementation of the Transaction ("**Consents**") (or if any Consents are conditional, such conditions being satisfactory to the Party/ies on whom such condition is imposed or the Party/ies which is/are affected thereby and for which purpose a condition imposed on Spanjaard shall be deemed to be imposed on both Parties), including from:
- 5.2.5.1 the TRP (in terms of a compliance certificate to be issued in terms of the Companies Act);
- 5.2.5.2 the Financial Surveillance Department of SARB, or its duly authorised agent;
- 5.2.6 The Scheme Conditions in paragraphs 5.2.1, 5.2.2, 5.2.3 and 5.2.5 of this Section H are of a regulatory nature and cannot be waived by the Parties. The Scheme Condition in paragraphs 5.2.4 of this Section H is for the sole benefit of Spanjaard Group and may be waived by Spanjaard Group (in whole or in part in its sole discretion) by notice in writing to Spanjaard.

An announcement will be released on SENS as soon as possible after the fulfilment, waiver or non-fulfilment, as the case may be, of all of the Scheme Conditions.

5.3 Scheme Consideration

Scheme Participants will receive the Scheme Consideration for every one Scheme Share held by them on the Scheme Record Date, subject to a maximum consideration payable by Spanjaard Group of R8 971 107.60 (being R3.90 times 2 300 284 Spanjaard Shares, being the current aggregate number of Scheme Shares).

5.4 Settlement of the Scheme Consideration

- 5.4.1 Spanjaard Shareholders are referred to the section entitled "Action to be taken by Spanjaard Shareholders in relation to the Scheme and Delisting", set out in Section D of the Circular, for further information regarding the steps to be taken by Spanjaard Shareholders in relation to the settlement of the Scheme Consideration.
- 5.4.2 Settlement of the Scheme Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 7 to this Circular.
- 5.4.3 Spanjaard or its agents will administer and effect payment of the Scheme Consideration and/or will transfer by way of EFT in respect of the Scheme Consideration to the Scheme Participants.
- 5.4.4 Scheme Participants who hold Dematerialised Shares will:
 - 5.4.4.1 if they are not Dissenting Shareholders on the Scheme Consideration Record Date, have their accounts held at their CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares that they are transferring to Spanjaard Group pursuant to the Scheme on the Scheme Implementation Date; or
 - 5.4.5 if they are Dissenting Shareholders on the Scheme Record Date, have their accounts held at their CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares that they are transferring to Spanjaard Group pursuant to the Scheme within five Business Days of the date on which they cease to be Dissenting Shareholders and become Scheme Participants. Scheme Participants who hold Certificated Shares, and who are not Dissenting Shareholders on the Scheme Record Date, will:
 - 5.4.5.1 if they have surrendered their Documents of Title and completed Form of Surrender and Transfer to the Transfer Secretaries on or before 12:00 on the Scheme Record Date, the Scheme Consideration will be paid to them on the Scheme Implementation Date by way of EFT; or
 - 5.4.5.2 if they surrender their Documents of Title and completed Form of Surrender and Transfer to the Transfer Secretaries after 12:00 on the Scheme Record Date, payment will be made to them by way of EFT within five Business Days of the Transfer Secretaries receiving their Documents of Title and completed Form of Surrender and Transfer.
- 5.4.6 Certificated Shareholders who are Dissenting Shareholders on the Scheme Record Date, but who become Scheme Participants after the Scheme Record Date, will need to surrender their Documents of Title, together with completed Form of Surrender and Transfer to the Transfer Secretaries will make payment to them by way of EFT within five Business Days of the later of the date on which the Transfer Secretaries receive their Documents of Title and completed Form of Surrender and Transfer and the date on which they cease to be Dissenting Shareholders. Where,
- 5.4.7 on or subsequent to the Scheme Implementation Date, a person who was not a registered holder of the Scheme Shares on the Scheme Record Date, tenders to the Transfer Secretaries Documents of Title, together with a duly completed Form of Surrender and Transfer, purporting to have been executed by or on behalf of the registered holder of such Scheme Shares and, provided that payment by way of EFT to the registered holder of the relevant Scheme Shares, then such transfer may be accepted by Spanjaard Group as if it were a valid transfer to such person of the Scheme Shares concerned, provided that Spanjaard Group and the Company, if they so require, have been provided with an indemnity on terms acceptable to them in respect of the Scheme Consideration.
- 5.4.8 The Scheme Consideration will be paid to the Scheme Participants, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Spanjaard or Spanjaard Group may otherwise be, or claim to be, entitled.

- 5.4.9 In the case of Scheme Participants who are Foreign Shareholders, if the information regarding authorised dealers is not given or written instructions to the contrary are provided, but no address is given, as required in terms of Annexure 7, the Scheme Consideration will be held in trust by Spanjaard, or the Transfer Secretaries on behalf of Spanjaard, for the Scheme Participants concerned, pending receipt of the necessary information or instructions. No interest will be paid on the Scheme Consideration so held. If the necessary information or instructions have not been provided after a period of five years, such Scheme Consideration shall be paid over to the Guardians Fund of the High Court, from which it can be claimed.
- 5.4.10 If the Scheme Consideration is not paid or posted to Certificated Shareholders entitled thereto because the relevant Documents of Title have not been surrendered, that Scheme Consideration will be held in trust by Spanjaard, or the Transfer Secretaries on behalf of Spanjaard, until claimed. No interest will be paid on the Scheme Consideration so held. If the necessary information or instructions have not been provided after a period of five years, such Scheme Consideration shall be paid over to the Guardians Fund of the High Court, from which it can be claimed. In this regard, such Scheme Participants irrevocably authorise and appoint the Company and/or Spanjaard Group, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to pay the Scheme Consideration to the benefit of the Guardian's Fund in the aforesaid manner.

5.5 No Encumbrance

Each Scheme Participant is deemed, on the Scheme Implementation Date, to have warranted and undertaken in favour of Spanjaard Group and the Company that the relevant Scheme Shares are not subject to a pledge or otherwise encumbered, or if subject to any such pledge or encumbrance, that such Scheme Shares shall be released from such pledge or other encumbrance immediately following payment and discharge of the Scheme Consideration.

5.6 Dissenting Shareholders

- 5.6.1 Any Dissenting Shareholder that withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, either voluntarily or pursuant to an order of Court, or that allows an offer by the Company in terms of section 164(11) of the Companies Act to lapse without exercising its rights in terms of section 164(14) of the Companies Act, shall, if that Dissenting Shareholder withdrew its demand or allowed the Company's offer to lapse:
- 5.6.1.1 on or prior to the Scheme Record Date, be deemed to be a Scheme Participant and be subject to the provisions of the Scheme; and
- 5.6.1.2 after the Scheme Record Date, be deemed to have been a Scheme Participant as at the Scheme Implementation Date, provided that settlement of the Scheme Consideration due to such Dissenting Shareholder, and the transfer of such Dissenting Shareholder's Scheme Shares to Spanjaard Group, shall take place on the later of
- (i) the Scheme Implementation Date, (ii) the date which is five Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Company's offer to lapse, as the case may be, and (iii) if that Spanjaard Shareholder is a Certificated Shareholder, the date which is five Business Days after that Dissenting Shareholder shall have surrendered its Documents of Title and completed Form of Surrender and Transfer to the Transfer Secretaries.

- 5.6.2 Spanjaard Shareholders are advised of their Appraisal Rights, as follows:
- 5.6.2.1 Spanjaard Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act are required, before the Scheme Resolution to approve the Scheme is voted on at the General Meeting, to give notice to the Company in writing objecting to the Scheme Resolution in accordance with the requirements of section 164(3) of the Companies Act.
 - 5.6.2.2 If the Scheme Resolution is adopted by the Company, the Company is required, in accordance with section 164(4) of the Companies Act, within 10 Business Days after the Voting Shareholders adopt the Scheme Resolution, to send a notice to Spanjaard Shareholders who gave written notice to the Company objecting to the Scheme Resolution and did not withdraw such written notice or voted in support of the Scheme Resolution, notifying them that the Scheme Resolution has been adopted.
 - 5.6.2.3 Spanjaard Shareholders who gave written notice to the Company in accordance with the requirements of section 164(3) of the Companies Act (and have not withdrawn that notice), who voted against the Scheme Resolution and who have complied with all the procedural requirements set out in section 164 may, in accordance with sections 164(5) to 164(8) of the Companies Act, demand that the Company pay them the fair value of the Spanjaard Shares held by them and in respect of which they have given the aforesaid written notice.
- 5.6.3 If Spanjaard receives a demand in terms of sections 164(5) to 164(8) of the Companies Act and such demand is not withdrawn by the Scheme Implementation Date, the Company will, in accordance with section 164(11) of the Companies Act, within five Business Days of the Scheme Implementation Date, make an offer to those Shareholders to purchase their Spanjaard Shares at fair value. A Dissenting Shareholder who has sent a demand in accordance with the requirements of sections 164(5) to 164(8) may withdraw its demand before Spanjaard makes an offer in accordance with section 164(11) or if Spanjaard fails to make an offer. If a Dissenting Shareholder voluntarily withdraws its demand made in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, it will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Shares will be acquired by Spanjaard Group, in accordance with paragraph 5.3 of this Section H, with retrospective effect from the Scheme Implementation Date.
- 5.6.4 A Dissenting Shareholder who has sent a demand in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act has no further rights in respect of the Spanjaard Shares in respect of which it has made such demand, other than to be paid the fair value of such Spanjaard Shares, unless:
- 5.6.4.1 that Dissenting Shareholder withdraws his demand before Spanjaard makes an offer in accordance with section 164(11) of the Companies Act;
 - 5.6.4.2 Spanjaard fails to make an offer in accordance with section 164(11) of the Companies Act and that Dissenting Shareholder withdraws its demand;
 - 5.6.4.3 Spanjaard makes an offer in accordance with section 164(11) of the Companies Act and the Dissenting Shareholder allows such offer to lapse; or
 - 5.6.4.4 Spanjaard revokes the Scheme Resolution, by means of a subsequent special resolution, in which case the Spanjaard Shareholder's rights will, in accordance with section 164(10) of the Companies Act, be reinstated without interruption.
- 5.6.5 The offer made in accordance with section 164(11) of the Companies Act, will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if not accepted by the Dissenting Shareholder within 30 Business Days after it was made. If the Dissenting Shareholder allows the offer to lapse, it will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Spanjaard Shares will be acquired by Spanjaard Group, in accordance with paragraph 5.4 of Section H of this Circular.

- 5.6.6 A Dissenting Shareholder who accepts an offer made in accordance with section 164(11) of the Companies Act will become an Excluded Dissenting Shareholder and will not participate in the Scheme. The Excluded Dissenting Shareholder must thereafter, if it
- 5.6.6.1 holds Certificated Shares, tender the Documents of Title in respect of such Certificated Shares to Spanjaard or the Transfer Secretaries; or
 - 5.6.6.2 holds Dematerialised Shares, instruct its CSDP or Broker to transfer those Spanjaard Shares to Spanjaard or the Transfer Secretaries.

Spanjaard must pay the Excluded Dissenting Shareholder the agreed amount within 10 Business Days after the Excluded Dissenting Shareholder has accepted the offer and tendered the Documents of Title or directed the transfer to Spanjaard or the Transfer Secretaries of the Dematerialised Shares.

- 5.6.7 A Dissenting Shareholder who considers the offer made by Spanjaard in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to a Court to determine a fair value in respect of the Spanjaard Shares that were the subject of the demand, and an order requiring Spanjaard to pay the Dissenting Shareholder the fair value so determined. The Court will, in accordance with section 165(15)(v) of the Companies Act, be obliged to make an order requiring:
- 5.6.7.1 the Dissenting Shareholders to either withdraw their respective demands or to tender their Spanjaard Shares as contemplated in paragraph 5.4.8 of Section H of this Circular; or
- 5.6.8 Spanjaard to pay the fair value in respect of the Spanjaard Shares (as determined by the Court) to each Dissenting Shareholder who tenders its Spanjaard Shares, subject to any conditions the Court considers necessary to ensure that Spanjaard fulfils its obligations under section 164 of the Companies Act. If, pursuant to the order of the Court, any Dissenting Shareholder withdraws its demand, the Dissenting Shareholder will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Spanjaard Shares will be acquired by Spanjaard Group in accordance with paragraph 5.3 of this Section H of the Circular, with retrospective effective from the Scheme Implementation Date.
- 5.6.9 If, pursuant to the order of the Court, a Dissenting Shareholder tenders its Spanjaard Shares to Spanjaard, such Dissenting Shareholder will become an Excluded Dissenting Shareholder and will not participate in the Scheme. The Excluded Dissenting Shareholder must thereafter, if it:
- 5.6.9.1 holds Certificated Shares, tender the Documents of Title in respect of such Certificated Shares to Spanjaard or the Transfer Secretaries; or
 - 5.6.9.2 holds Dematerialised Shares, instruct its CSDP or Broker to transfer those Spanjaard Shares to Spanjaard or the Transfer Secretaries.
- Spanjaard must pay the Excluded Dissenting Shareholder the fair value determined by the Court within 10 Business Days after the Excluded Dissenting Shareholder has accepted the offer and tendered the Documents of Title or directed the transfer to Spanjaard or the Transfer Secretaries of the Dematerialised Shares.
- 5.6.10 A copy of section 164 of the Companies Act, which sets out the Appraisal Rights, is included in Annexure 4 to this Circular.

5.7 Foreign Shareholders and Exchange Control Regulations

Annexure 7 to this Circular contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant jurisdiction concerning the receipt of the Scheme Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Scheme Participants should consult their professional advisors immediately.

5.8 Cash Confirmation

Spanjaard Group has delivered to the TRP an irrevocable cash confirmation issued by Standard Bank, for the maximum possible Scheme Consideration or the Standby Offer Consideration, in compliance with Companies Regulations 111(4) and 111(5).

5.9 Amendment or variation of the Scheme

Subject to compliance with applicable law and regulation or the requirements of the JSE and the TRP, no amendment or variation of the Scheme shall be valid unless it is agreed to by the Company and Spanjaard Group in writing, provided that i) the Company and Spanjaard Group shall not agree to any amendment or variation that has the effect of reducing the Scheme Consideration, and ii) Spanjaard Group shall be entitled at any time to increase the Scheme Consideration, and to effect the necessary amendments consequent on such increase, without requiring the consent of the Company.

Where an amendment to the terms and conditions of the Scheme is required by a regulatory authority, the prior written consent of each of the Company and Spanjaard Group shall be required for such amendment (which consent shall not be unreasonably withheld or delayed).

5.10 Termination of the Scheme

5.10.1 Spanjaard Shareholders are advised that, notwithstanding that the Scheme Resolution may have been approved at the General Meeting and that the Scheme Conditions may have been fulfilled or waived:

5.10.1.1 the Scheme may be terminated on or before the Scheme Finalisation Date, and all rights and obligations of the Company and Spanjaard Group under the Scheme shall, subject to paragraph 5.10.2 of Section H of this Circular, cease, in the event that the Implementation Agreement is terminated, in circumstances as more fully set out in paragraphs 7.3.1 and 7.3.2 of Section H of this Circular, after fulfilment of the Scheme Conditions;

in terms of section 115(3) of the Companies Act, the Company may in certain circumstances not proceed to implement the Scheme, notwithstanding that the Scheme may have been approved at the General Meeting and that the Scheme Conditions may have been fulfilled or waived, without the approval of the Court. A copy of section 115 of the Companies Act pertaining to the required approval(s) for the Scheme is set out in Annexure 3 to this Circular.

5.10.2 Termination of the Scheme shall be without prejudice to the rights of the Company or Spanjaard Group that may have arisen prior to termination, and/or the rights of the Company or Spanjaard Group to bring any other claim or action available at law against the other arising from a breach of the Scheme. The lapsing, cancellation or termination of the Scheme shall not affect those provisions of the Scheme which expressly provide they will operate after any such lapsing, cancellation or termination or which by implication must continue to have effect thereafter.

5.11 Restricted jurisdictions

To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction, then this Circular is deemed to have been provided for information purposes only and neither the Spanjaard Board nor Spanjaard Group Directors accept any responsibility for any failure by Foreign Shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.

Spanjaard Shareholders who are in doubt as to their position should consult their professional advisors.

6. SUSPENSION AND TERMINATION OF THE SPANJAARD LISTING

- 6.1 The listing of all the Spanjaard Shares will be terminated from the Main Board of the JSE pursuant to the implementation of the Scheme or the Standby Offer.
- 6.2 Subject to the Scheme or the Standby Offer becoming unconditional (the Scheme Conditions and the Standby Offer Conditions include that the Delisting Resolution is passed) and the Scheme or the Standby Offer being implemented, the JSE has granted approval for the Delisting of all the Spanjaard Shares from the Main Board of the JSE.

7. MATERIAL PROVISIONS OF THE IMPLEMENTATION AGREEMENT

7.1 Undertakings by Spanjaard

Spanjaard has undertaken to Spanjaard Group in terms of the Implementation Agreement that with effect from the Signature Date, amongst others:

7.1.1 Scheme Resolution

Spanjaard will not treat the Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act, unless it is requested to do so by Spanjaard Group in writing within two Business Days after Spanjaard has advised Spanjaard Group that a Spanjaard Shareholder has required the Company, at Spanjaard Group's reasonable cost and expense, to seek Court approval for the Scheme Resolution in terms of section 115(3)(a) of the Companies Act;

7.1.2 Scheme approval

In respect of the Scheme, Spanjaard will take all such steps as are within its power and necessary in terms of the Companies Act to obtain shareholder approval for the Scheme, including, without limitation, convening the General Meeting and, at the reasonable cost and expense of Spanjaard Group, procuring the approval of the Scheme by the Court (to the extent necessary);

7.1.3 Delisting

In respect of the Delisting, Spanjaard will take all such steps as are within its power and necessary in terms of the Listings Requirements to procure the Delisting;

7.1.4 Standby Offer

If the Scheme fails, Spanjaard will take all such steps as are within its power and necessary in terms of the Listings Requirements to procure the implementation of the Standby Offer;

7.1.5 Ordinary course of business

Save as (i) otherwise contemplated in the Implementation Agreement or with the written consent of Spanjaard Group; or (ii) in the ordinary and regular course of conducting its business, Spanjaard undertakes that prior to the earlier of (a) the Scheme Implementation Date; and (b) the termination of the Implementation Agreement, the Company and each member of the Group shall carry on its business in the ordinary course and, without limiting the foregoing, shall not:

7.1.5.1 undertake or do anything contemplated in section 126 of the Companies Act (with or without the prior approval of the TRP and/or Spanjaard Shareholders, and on the basis that such section is deemed to apply to the relevant member of the Group;

7.1.5.2 make, renew, amend or terminate any commitments, including capital expenditure, or enter into, renew, amend or terminate any contract or group of related contracts with an aggregate value which is in excess of R20 000 000 without Spanjaard Group's prior written approval;

- 7.1.5.3 enter into any new agreements, amend or agree to amend, or otherwise modify or vary or terminate, or agree to so modify or vary or terminate any new agreements:
 - (i) which involve any restraint of trade on any part of the Group's business; or
 - (ii) which have or may have a material effect, impact or restriction on any part of the Group's business;
- 7.1.5.4 make any voluntary changes to the Spanjaard Board or senior management (except for termination with just cause or replacement of departing personnel) or make any change in the terms and conditions of their employment, including their remuneration;
- 7.1.5.5 amend or propose to amend its memorandum of incorporation (or equivalent constitutional documents), save as may be required to comply with any applicable law;
- 7.1.5.6 amend or propose to amend any of the terms of the Spanjaard Shares as they exist at the date of the Implementation Agreement;
- 7.1.5.7 form or enter into or agree to form or enter into, or acquire an interest in, any joint venture, partnership or agreement or other venture for the sharing of profits or assets;
- 7.1.5.8 take or agree to take any loans, borrowings or other forms of funding or financial facilities or assistance, or enter into or agree to enter into any foreign exchange transactions or other similar agreements;
- 7.1.5.9 grant or become bound by any guarantee, suretyship, indemnity or other security in respect of any person or amend or renew the terms of any existing guarantee, suretyship, indemnity or other security in respect of any person;
- 7.1.5.10 grant or agree to grant any loans or other financial facilities or assistance to any person other than liens arising by operation of law or in the ordinary course of business, or create or agree to create any encumbrance over the whole or any part of its undertakings or assets;
- 7.1.5.11 repay or prepay any loans of whatsoever nature and amount, any borrowings or any other financial facility or assistance made available to it (excluding in accordance with the terms of those borrowings and/or other financial facilities);
- 7.1.5.12 reorganise, amalgamate or merge Spanjaard or any member of the Group with any other person or entity, or acquire or agree to acquire by amalgamating, merging or consolidating with, purchasing any shares of or substantially all of the assets of or otherwise, any business or any corporation, partnership, association or other business organisation or division thereof, or dispose or transfer or agree to dispose of or transfer the shares or any of the other assets of Spanjaard or any member of the Group;
- 7.1.5.13 initiate, settle or abandon any claims, litigation, arbitration or other proceedings or make any admissions of liability by or on behalf of any member of the Group with an aggregate value in excess of R5 000 000;
- 7.1.5.14 take any action that could invalidate any of its existing insurance policies or materially vary the terms of any policies of insurance; or
- 7.1.5.15 enter into any agreement to do any of the foregoing, whether conditional or otherwise.

7.1.6 Business preservation

Spanjaard will use all reasonable endeavours to preserve intact its business organisations and goodwill, to keep available the services of its officers and employees as a group and to maintain existing relationships with suppliers, consultants, partners (including joint venture partners), professional advisors, agents, distributors, customers, governmental entities, regulatory authorities and others having business relationships with it and each member of its Group.

7.1.7 Proxy votes

Spanjaard will notify Spanjaard Group on each Business Day (commencing on the 10th Business Day) following the posting of the Circular, until the day of the General Meeting, of the number of proxy votes received by Spanjaard in relation to the Scheme.

7.1.8 Spanjaard Shares

Spanjaard shall not issue any further shares, any rights to any shares or any share appreciation rights following the Signature Date without the prior written consent of Spanjaard Group.

7.2 Undertakings by Spanjaard Group

Spanjaard Group has undertaken to Spanjaard in terms of the Implementation Agreement that with effect from the Signature Date:

7.2.1 Scheme

To be bound by and comply with the terms of the Scheme and/or, as the case may be, the Standby Offer insofar as they relate to Spanjaard Group, including those terms which relate to the discharge of the Scheme Consideration in accordance with the Transaction;

7.2.2 Securities Transfer Tax and other costs

To be liable for and pay any:

- 7.2.2.1 taxes payable in respect of the transfer of the Scheme Shares from the Scheme Participants pursuant to the Scheme in terms of the Securities Transfer Tax Act 25 of 2007; and
- costs relating to making the Scheme Consideration available in terms of the Scheme (including costs of and in connection with the cash confirmation referred to in paragraph 5.8 of Section H of this Circular).

7.3 Termination

7.3.1 The Implementation Agreement shall terminate with immediate effect and all rights and obligations of the Parties thereunder shall cease immediately, only as follows:

7.3.1.1 if any Scheme Condition which may be waived by Spanjaard Group in terms of the Implementation Agreement becomes incapable of fulfilment, and Spanjaard Group notifies Spanjaard in writing that Spanjaard Group will not waive that condition; or

7.3.1.2 if all the Scheme Conditions or Standby Offer Conditions have not been fulfilled or waived on or before the Long Stop Date;

7.3.2 upon written notice by Spanjaard to Spanjaard Group if:

7.3.2.1 at any time, implementation of the Scheme or the making of the Standby Offer would contravene any applicable law or the Listings Requirements;

7.3.2.2 Spanjaard Group commits a material breach of the Closing Settlement Arrangements and fails to remedy the breach within 10 Business days of a written notice from Spanjaard to Spanjaard Group requesting same;

7.3.2.3 (i) any counterparty to the Closing Settlement Arrangements commits a material breach of the Closing Settlement Arrangements which results in the Closing Settlement Arrangements being terminated or cancelled and such arrangement cannot timeously be replaced with substantially similar arrangements; or (ii) it becomes impossible for the terms of the Closing Settlement Arrangements to be implemented;

7.3.2.4 Spanjaard Group commits a material breach of any other provision of the Implementation Agreement and, if such breach is capable of remedy, fails to remedy such breach within 10 Business Days of a written notice from Spanjaard to Spanjaard Group requesting the same;

7.3.2.5 Spanjaard Group at any time is unable to satisfy the solvency and liquidity test referred to in section 4 of the Companies Act if it were to apply such test at that time; or

- 7.3.2.6 upon written notice by Spanjaard Group to Spanjaard if Spanjaard commits a material breach of any provision of the Implementation Agreement and, if such breach is capable of remedy, fails to remedy such breach within 10 Business Days of a written notice from Spanjaard Group to Spanjaard requesting the same.
- 7.3.3 Notwithstanding anything to the contrary in the Implementation Agreement, neither Party shall be entitled to terminate or otherwise cancel the Implementation Agreement after the Scheme Finalisation Date.
- 7.3.4 Termination or lapsing of the Implementation Agreement shall be without prejudice to the rights of either Party that may have arisen prior to termination or lapsing, and/or the rights of the other Party to bring any other claim or action available at law against the other Party arising from a breach of the Implementation Agreement.

8. INTERESTS OF SPANJAARD GROUP AND SPANJAARD GROUP DIRECTORS IN SPANJAARD SHARES AND SPANJAARD GROUP SHARES

8.1 Interests of Spanjaard Group in Spanjaard Shares

- 8.1.1 As at the Last Practicable Date, Spanjaard Group held 5 842 566 Spanjaard Shares (71.8%).
- 8.1.2 As at the Last Practicable Date, there were no dealings by Spanjaard Group in Spanjaard Shares during the six months immediately preceding the Last Practicable Date.

8.2 Interest of Spanjaard Group Directors in Spanjaard Group Shares

- 8.2.1 As at the Last Practicable Date, Spanjaard Group Directors held the following interests in Spanjaard Group Shares:

Director	Direct Beneficial interest	Indirect beneficial interest	Total % interest
TN Spanjaard	75.0%	-	75.0%
TJB Botha	25.0%		25.0%

- 8.2.2 Ms TN Spanjaard is not eligible to vote at the General Meeting.

- 8.2.3 There were no dealings by Spanjaard Group Directors in Spanjaard Group Shares during the six months immediately preceding the Last Practicable Date.**

8.3 Interests of Spanjaard Group Directors in Spanjaard Shares

- 8.3.1 As at the Last Practicable Date, Spanjaard held no direct or indirect beneficial interest in Spanjaard Group Shares
- 8.3.2 As at the Last Practicable Date, the Spanjaard Directors held the following interests in Spanjaard Group Shares.

Director	Direct Beneficial interest	Indirect beneficial interest	Total % interest
TN Spanjaard	35 832	-	0.44%

- 8.3.3 Ms TN Spanjaard is not eligible to vote at the General Meeting.

- 8.3.4 There were no dealings by Spanjaard Directors in Spanjaard Group Shares during the six months immediately preceding the Last Practicable Date.

8.4 Interests of Spanjaard and Spanjaard Directors in Spanjaard Group Shares

8.4.1 As at the Last Practicable Date, the Spanjaard Directors held the following interests in Spanjaard Group Shares.

Director	Direct beneficial interest	Indirect beneficial interest	Total	% interest
TN Spanjaard	11 250 000	-	11 250 000	75%
TJB Botha	3 750 000		3 750 000	25%

8.5 Interest of Spanjaard Directors in Spanjaard Shares

8.5.1 As at the Last Practicable Date, the Spanjaard Directors held the following interests in Spanjaard Shares:

Director	Direct Beneficial interest	Indirect beneficial interest	Total % interest
TN Spanjaard	35 832	-	0.44%
GF Cort	24 422	-	0.3%

9. IRREVOCABLE UNDERTAKINGS

9.1 Spanjaard Group has received irrevocable undertakings to vote in favour of the Transaction Resolutions from Spanjaard Shareholders holding approximately 1.6% of the Scheme Shares and 5.6% of the Spanjaard Shares entitled to exercise voting rights in respect of the Transaction Resolutions.

9.2 The following table details the number of Spanjaard Shareholders as well as the number of Scheme Shares held by such Spanjaard Shareholders which have provided Spanjaard Group with irrevocable undertakings:

Registered and/or Beneficial Spanjaard Shareholder	Number of Scheme Shares	% of Scheme Shares
M Thulo	103 464	4.5%
GF Cort	24 422	1.1%
TOTAL	127 886	5.6%

9.3 As at the Last Practicable Date, none of the Spanjaard Shareholders referred to in paragraph 9.1 of Section H of this Circular above hold any direct or indirect interest in Spanjaard Group Shares.

9.4 Details of the Spanjaard Shares traded by the Spanjaard Shareholders listed in paragraph 9.2 of Section H of this Circular during the six months immediately prior to the Last Practicable Date, are set out in Annexure 8 to this Circular.

10. SPANJAARD DIRECTORS' REMUNERATION AND SERVICE CONTRACTS

10.1 The table below sets out the remuneration of Spanjaard Directors for the 12 months ended 28 February 2021:

	Salary	Bonus	Post-retirement, medical & other benefits	Total
Executive Directors	R'000	R'000	R'000	R'000
TN Spanjaard	1 314	-	72	1 386
GF Cort	1 261	-	263	1 524
CKT Palmer	961	-	157	1 118
S Vassan Makan	1 231	-	35	1 266
TOTAL	4 767	-	527	5 294

Non-executive directors	Non-executive directors' fees
	R'000
HF Kocks	150
MJ Siddal	16
M Notrica	195
SS Zikalala	195
TOTAL	556

10.2 Should the Scheme be implemented, the Company will continue to operate as a subsidiary of Spanjaard Group, but the size and composition of the Spanjaard Board will be considered.

10.3 Directors' Service Contracts

10.3.1 The employment contracts with the executive directors of Spanjaard contain normal terms and conditions of employment.

10.3.2 No employment contracts with Spanjaard Directors have been entered into or amended within six months prior to the Last Practicable Date.

10.3.3 There are no service contracts between Spanjaard and non-executive Spanjaard Directors.

10.3.4 .

10.4 Spanjaard Directors' Interests in Other Contracts

The Spanjaard Directors have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by Spanjaard during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

11. AGREEMENTS IN RELATION TO THE SCHEME

- 11.1 Save for the Implementation Agreement and the Irrevocable Undertakings, no agreements have been entered into between Spanjaard Group, Spanjaard Group Directors (or persons who were directors of Spanjaard Group in the past 12 months) and/or Spanjaard Group Shareholders (or persons who were Spanjaard Group shareholders in the past 12 months) and any of Spanjaard, the Spanjaard Board (or persons who were members of Spanjaard Board in the past 12 months) or Spanjaard Shareholders (or persons who were Spanjaard Shareholders in the past 12 months) in relation to the Scheme.
- 11.2 Spanjaard Group confirms that it is the ultimate prospective purchaser of the Scheme Shares.
- 11.3 The material terms of the Implementation Agreement are embodied in this Circular or set out in paragraph 7 of section H of this Circular.
- 11.4 The material terms of the Irrevocable Undertakings are, *inter alia*, that the providers of the Irrevocable Undertakings, irrevocably undertake in favour of Spanjaard Group to vote in favour of all resolutions proposed at the General Meeting.
- 11.5 Copies of the Irrevocable Undertakings are available for inspection as set out in paragraph 21 of this Circular below.

12. HISTORICAL FINANCIAL INFORMATION RELATING TO SPANJAARD

- 12.1 Extracts from the audited consolidated financial statements for the financial years ending 28 February 2021, 29 February 2020 and 28 February 2019 are included in Annexures 2 to this Circular. The Unaudited Interim Results for the six months ended 31 August 2021 as published on SENS are set out in Annexure 10.
- 12.2 Dispensation was obtained from the TRP to include extracts from the audited historical annual financial statements and Shareholders can obtain full copies of the financial statements for the past three years on the Spanjaard web address <https://www.spanjaard.biz/financials/>, or copies thereof, will be available for inspection by the Shareholders at the registered offices of Spanjaard and at the offices of the Company's sponsors at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular from the date of posting of this Circular until the end of the Scheme Implementation Date, or in the event that the Standby Offer is implemented, the Standby Offer Implementation Date thereof from the registered office of Spanjaard.

13. THE VIEW OF THE INDEPENDENT BOARD ON THE SCHEME

- 13.1 The Independent Board has appointed the Independent Expert to compile a report on the Scheme.
- 13.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration as contemplated in Companies Regulation 110(3)(b). The Independent Board has formed a view of the value of the Spanjaard Shares, which accords with the value range of the Spanjaard Shares contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) that were considered by the Independent Expert, and accordingly has not taken any such factors into account in forming its opinion.
- 13.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Scheme and the members of the Independent

Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Spanjaard Shareholders and, accordingly, recommend that Voting Shareholders vote in favour of the Scheme at the General Meeting.

- 13.4 As at the Last Practicable date, the Independent Board has not received any firm intention offers, other than the offer by Spanjaard Group set out in this Circular.

14. REPORT OF THE INDEPENDENT EXPERT

14.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and Companies Regulations 90 and 110 is set out in Annexure 1 to this Circular and has not been withdrawn prior to the date of publication of this Circular.

14.2 Having considered the terms and conditions of the Scheme and based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Scheme are both fair and fair and reasonable to Spanjaard Shareholders, as each of these terms is defined in the Companies Regulations.

15. FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

Information regarding Foreign Shareholders and Exchange Control Regulations is set out in Annexure 7 to this Circular.

16. TAX IMPLICATIONS FOR SPANJAARD SHAREHOLDERS

The tax treatment of Scheme Participants is dependent on their individual circumstances and on the tax jurisdiction applicable to such Scheme Participants. It is recommended that the Scheme Participants seek appropriate advice in this regard.

17. RESPONSIBILITY STATEMENT

The Independent Board and the Spanjaard Board, insofar as any information in this Circular relates to Spanjaard and Spanjaard Group Directors, insofar as any information in this Circular relates to Spanjaard Group:

- 17.1 have considered all statements of fact and opinion in this Circular;
- 17.2 collectively and individually, accept full responsibility for the accuracy of the information given;
- 17.3 certify that, to the best of their knowledge and belief, the information is true and that there are no other facts, the omission of which would make any statement false or misleading;
- 17.4 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
- 17.5 confirm that this Circular contains all information required by the Takeover Regulations.

18. ADVISORS' CONSENTS

The advisors referred to 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, reports, in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

19. COSTS AND EXPENSES

Subject to paragraphs 19.1 and 19.2 of this Circular, each of the Company and Spanjaard Group shall bear and pay all costs incurred by it in connection with the Transaction. The table of expenses is listed below:

	R
Sponsor services relating to the Circular	490 000
Fair and Reasonable opinion	135 000
Corporate Finance fees	115 000
TRP fees - Scheme of arrangement	50 000
TRP fees - Standby offer to shareholders	50 000
TRP Dispensation in terms of Section 119 (6)	3 000
JSE documentation fees for the Scheme of arrangement and Standby offer	17 456
JSE documentation fees for terminating the listing	23 276
Transfer secretary fees – (max)	51 862
Announcements in press	50 000
Printing, posting and electronic proxy cost	51 541
TOTAL	1 037 135

19.1 Spanjaard Group shall bear and pay all costs incurred by the Company in relation to any application(s) to Court as contemplated in section 115(3) and/or 115(5) of the Companies Act, if any.

19.2 Spanjaard Group shall be liable for:

19.2.1 any taxes payable in respect of the transfer of the Spanjaard Shares from the Scheme Participants to Spanjaard Group pursuant to the Scheme in terms of the Securities Transfer Tax Act 25 of 2007;

19.2.2 costs relating to making the Scheme Consideration available to the Company.

20. MATERIAL CHANGES AND CONTINUATION OF SPANJAARD'S BUSINESS

20.1 There has been no material change in the financial position of Spanjaard that has occurred since the release the Company's results in respect of the year ended 28 February 2021.

20.2 In the event that the Scheme is successfully implemented, Spanjaard Group intends for the business of Spanjaard to be operated in a similar manner as it was operated prior to the implementation of the Scheme. Spanjaard Group intends to retain Spanjaard's existing senior management.

21. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by the Shareholders at the registered offices of Spanjaard and at the offices of the Company's sponsors at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular, or will be made available in electronic format from the Company Secretary on request at Sshane@levittkirson.co.za from the date of posting of this Circular until the end of the Scheme Implementation Date, or in the event that the Standby Offer is implemented, the Standby Offer Implementation Date:

- 21.1 the Implementation Agreement;
- 21.2 the report of the Independent Expert as reproduced in Annexure 1 of this Circular;
- 21.3 the audited consolidated financial statements of Spanjaard for the financial years ended 28 February 2021, 29 February 2020 and 28 February 2019;
- 21.4 the unaudited interim group results for the 6 months ended 31 August 2021;
- 21.5 the memorandum of incorporation of Spanjaard;
- 21.6 the consent letters referred to in paragraph 18 of this Circular;
- 21.7 the Irrevocable Undertakings;
- 21.8 the service contracts with executive Spanjaard Directors where these are in writing;
- 21.9 a signed copy of this Circular; and
- 21.10 the letter of approval of this Circular issued by the TRP.

For and on behalf of Spanjaard Limited

Duly authorised hereto in terms of resolutions passed by all the Spanjaard Directors as well as by the Independent Board.

M Notrica

Independent Non-executive Director and member of the Independent Board
29 October 2021

For and on behalf of Spanjaard Group Limited

Duly authorised hereto in terms of a resolution passed by Spanjaard Group Board.

TJB Botha

Director
29 October 2021

REPORT OF THE INDEPENDENT EXPERT REGARDING THE SCHEME AND THE STANDBY OFFER

The Independent Board

Spanjaard Limited
748-750 Fifth Street
Wynberg
Sandton
2090

14 October 2021

Dear Sirs,

INDEPENDENT OPINION TO THE BOARD OF DIRECTORS OF SPANJAARD LIMITED (“SPANJAARD” or “THE COMPANY”) IN TERMS OF SECTION 114(3) OF THE COMPANIES ACT 71 OF 2008 (“COMPANIES ACT”) AND REGULATION 90(6) OF THE REGULATIONS TO THE COMPANIES ACT (“TAKEOVER REGULATIONS”) AND SCHEDULE 5.8 OF THE JSE LIMITED’S (“JSE”) LISTINGS REQUIREMENTS (“LISTINGS REQUIREMENTS”) IN RESPECT OF AN OFFER TO ALL SPANJAARD SHAREHOLDERS OTHER THAN THE REMAINING SHAREHOLDER (AS DETAILED IN THE CIRCULAR) (“TRANSACTION”).

Introduction

Spanjaard Group Limited (“Spanjaard Group” or “the Remaining Shareholder”), is proposing:

- a Scheme of Arrangement in terms of Section 114 of the Companies Act, between Spanjaard and its shareholders excluding Spanjaard Group (“Scheme Participants” or “Eligible Shareholders”) to acquire all of their shares (“Scheme Shares”) for a cash consideration of R3.90 per share (“the Scheme Consideration”) (“the Scheme”);
- Separate but concurrent to the Scheme, a conditional Standby Offer to Eligible Shareholders in terms of section 117(1)(c)(v) of the Companies Act and paragraph 1.15(c) of the Listings Requirements, to acquire all of their shares (“Standby Offer Shares”) for a cash consideration of R3.90 per share (“the Standby Offer Consideration”), which will be implemented only if the Scheme fails (“Standby Offer”); and
- the delisting of all Spanjaard shares from the exchange operated by the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, pursuant to the Standby Offer being implemented and subject to the requisite Delisting Resolution being passed in terms of paragraph 1.15(a), read with paragraphs 1.15(b) to 1.15 (d), and 1.16 of the Listings Requirements.

Full details of the Transaction, along with sections 115 and 164 of the Companies Act are contained in the circular to shareholders (“Circular”) to be dated 29 October 2021, which will include a copy of this opinion.

The Independent Board of Directors of Spanjaard (“the Independent Board”) has appointed Suez Capital (Pty) Ltd (“Suez Capital”) as the independent expert in accordance with section 114(2) of the Companies Act, and paragraph 1.15 (d) of the Listings Requirements, to advise them and the Eligible Shareholders whether, in our opinion, the Transaction is fair and reasonable to the Eligible Shareholders.

Responsibility

Compliance with the Companies Act, Takeover Regulations and Listings Requirements in respect of the Scheme, the Standby Offer and Delisting is the responsibility of the Board of Directors of Spanjaard (“the Spanjaard Board”). Our responsibility is to opine and report on the fairness and reasonableness of the Scheme and the Standby Offer.

This report is issued solely for the abovementioned purpose and may not be used for any other purpose, quoted or referred to without the prior consent of Suez Capital.

Definition of the terms “fair” and “reasonable”

The Fairness of a transaction is primarily based on quantitative factors. A transaction will generally be considered to be fair to Eligible Shareholders if the benefits received as a result of the Transaction, are equal to or greater than the value given up. The Scheme Consideration and Standby Offer Consideration (collectively “the Offer Consideration”) would be considered fair to Eligible Shareholders if the Offer Consideration is higher or within the fair market valuation range of the Scheme Shares and/or the Standby Offer Shares (as the case may be).

Reasonableness is primarily based on qualitative considerations surrounding a transaction. Even though, in certain circumstances, the Offer Consideration may be below the fair market valuation range, the Offer Consideration may still be said to be reasonable after considering other significant qualitative factors.

Sources of information

In the course of our analysis, we relied upon financial and other information obtained from Spanjaard's management and from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in all material respects. For the purpose of compiling this report and the opinion contained herein, we have considered all information relevant to the securities affected by the Transaction.

The principal sources of information used in formulating our opinion regarding the Transaction are as follows:

- Historical financial information (“the Historical Financial Information”):
 - audited financial statements of Spanjaard for the 4 financial years ended 28 February 2018, 28 February 2019, 29 February 2020 and 28 February 2021;
 - unaudited interim group results for the 6 months ended 31 August 2021.
- Forecasted financial information (“the Forecasted Financial Information”):
 - information and assumptions made available by the management of Spanjaard regarding the forecasted revenue, Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”), working capital and capital expenditure for the five-year forecasted period ending 28 February 2026;
- Publicly available information relating to Spanjaard and other comparable companies in the sector that we deemed to be relevant;
- The firm intention announcement published on SENS on 27 August 2021 (“the Firm Intention Announcement”);
- The terms and conditions of the Transaction (as detailed in the Circular);
- Discussions with the Spanjaard executive directors, management and their advisors regarding the Transaction;
- Discussions with the Spanjaard executive directors, management and their advisors regarding the Historical Financial Information, Spanjaard's prospects and the Forecasted Financial Information;
- Valuation Report on Spanjaard's property prepared by JC Bokhorst Valuation Services (Pty) Ltd (“the Property Valuer”) dated 7 January 2021 (“the Property Valuation Report”). The key assumptions were reviewed for possible changes since 7 January 2021 and considered to still be fair and reasonable. In addition, the Property Valuer issued a statement on 13 October 2021 confirming there has been no material change to the value;
- The 9th addition (being the latest edition) of PWC's Valuation Methodology Survey (“the PWC Survey”), the biennial survey conducted by PWC on the average discounts and premia used by South African corporate finance firms and investment banks in performing valuations; and
- Publicly available information relating to Spanjaard that we deemed to be relevant, including Company announcements and media articles.

The above information was obtained from:

- Directors and management of Spanjaard; and
- Third-party sources, including information related to publicly available economic, market and other data which we considered relevant to Spanjaard and the Transaction.

Effect of the Transaction

The effect of the Scheme or the Standby Offer, if implemented, will be that Spanjaard Group will acquire all the Scheme Shares (being 2,264,452 ordinary shares) or the Standby Offer Shares of those Eligible Shareholders who accept the Standby Offer. As a result of the Scheme or Standby Offer, Eligible Shareholders will receive the Offer Consideration of R3.90 per share in cash in exchange for their rights and interests in their Spanjaard ordinary shares.

Having analysed the effects of the Transaction, we have concluded that there will be no material adverse effects of the Transaction against the Offer Consideration received by Eligible Shareholders.

The implementation of the Transaction is not anticipated to have any material adverse effects on the business and prospects of Spanjaard, having considered the rationale of the Transaction.

Procedures performed and factors considered

The principal procedures performed and factors we considered in formulating our opinion are listed below:

- *Qualitative factors considered and procedures performed:*
 - Reviewed the terms and conditions of the Transaction as set out in the Circular;
 - Considered the rationale of the Transaction from the perspective of Spanjaard;
 - Obtained an understanding of the ownership structure of Spanjaard;
 - Obtained a high-level understanding of the business, operations, prospects and key underlying assets of Spanjaard;
 - Held discussions with Spanjaard directors and management regarding the past, current and expected future business operations, financial position and prospects of Spanjaard;
 - Reviewed selected relevant publicly available information relating to Spanjaard and the sector in which it operates, including announcements and selected press articles;
 - Considered the high concentration of strategic shareholding in Spanjaard resulting in a low free float and relatively poor liquidity in the trading of its shares on the JSE;
 - Considered the prospects of Spanjaard and whether the Transaction will be beneficial to both Spanjaard and its shareholders;
 - Assessed the reasonableness of the Offer Consideration against the 30-day, 60-day, 120 day and 1 year volume weighted average price as at the date before the publication of the Firm Intention Announcement;
 - Considered the Offer Consideration relative to the closing share price of Spanjaard as at the date of the Firm Intention Announcement;
 - Considered historical share trading statistics and liquidity in Spanjaard shares on the JSE over the 5 years preceding the Firm Intention Announcement;
 - Considered such other matters as we considered necessary, including assessing the prevailing economic, legal, regulatory and market conditions which may affect the underlying value and prospects of Spanjaard; and
 - Where relevant, representations made by Spanjaard directors and management were corroborated to source documents or our independent analytical procedures and research.
- *Quantitative information used, factors considered and procedures performed:*
 - Reviewed the Historic Financial Information, performance and trends of Spanjaard and obtained a high-level understanding from executive directors and management regarding Spanjaard's current and potential future financial performance;
 - Reviewed general economic, market and related conditions in which Spanjaard operates in;
 - Reviewed the methodologies available for performing valuations of businesses operating in this industry;
 - Reviewed the Property Valuation Report. We have satisfied ourselves that we can rely on the

Property Valuation Report through the following steps and procedures:

- Interview and discussions with the Professional Property Valuer responsible for the Property Valuation Report;
- Considered the professional qualifications of the Professional Property Valuer;
- Reviewed the appropriateness of the valuation methodologies applied by the Professional Property Valuer;
- Considered key inputs and assumptions applied by the Professional Property Valuer including benchmarked market related rentals for similar properties, operating expense ratios and capitalisation rates;
- Performed an indicative valuation of Spanjaard using the Market Approach and Income Approach ("the Valuation");
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the Valuation; and
- Considered such other quantifiable factors and performed such other analyses as we deemed appropriate.

Valuation

We have performed a valuation of Spanjaard to determine whether the Offer Consideration represents fair value to Eligible Shareholders. We confirm that the principle valuation methodology used was the Income Approach i.e. the discounted cash flow ("DCF") methodology. The Market Approach (comparable PE and EBITDA multiple approach) was utilised to test the reasonability of our valuation results.

The Valuation has been prepared on the basis of "Fair Market Value". The generally accepted definition of "Fair Market Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

Assumptions:

We arrived at our opinion based on assumptions that:

- Reliance can be placed on the completeness and accuracy of the Historical Financial Information;
- Reliance can be placed on the reasonableness and accuracy of the Forecasted Financial Information, including its assumptions;
- Reliance can be placed on representations made by Spanjaard's directors and management;
- Reliance can be placed on share trading and market data obtained from external data providers;
- The terms and conditions of the Transaction (as detailed in the Circular) are correct; and
- The Transaction will have the rationale, legal, accounting and taxation consequences described in the Circular and explained to us by Spanjaard directors and management.

The DCF valuation was performed taking cognisance of Spanjaard's current and planned operations as well as other market factors affecting these operations. Using the value derived from the above valuation, a comparison was made between The Offer Consideration and the estimated fair value per share. Key value drivers to the DCF valuation method are as follows:

- **Internal:**
 - Revenue growth rates – forecasted revenue growth rates were considered against historic revenue growth rates achieved and current officially published Consumer Price Index statistics;
 - Profit margins to be achieved through the forecast period – forecasted profit margins were considered against historic profit margins achieved;
 - The discount rates applicable to Spanjaard – the weighted average cost of capital ("WACC") applicable to Spanjaard was used as a discount rate which is derived from the cost of equity and the after-tax cost of debt in proportion to the long-term target capital structure of the company;
 - Forecast working capital assumptions – forecasted working capital cycles were considered against historic working capital cycles achieved; and
 - Forecast capital expenditure requirements – forecasted capital expenditure requirements were considered against management's forecasted capital expenditure requirements.
- **External:**

- Stability of the economy and other macroeconomic factors. This included an analysis of publicly available information in respect of macroeconomic outlook; and
- Sensitivity analyses on the Consumer Price Index assumed and assessed the impact thereof on the valuation. A sustainable growth rate in line with expected inflation rates was assumed in determining the perpetuity value.

The following analyses were performed on the key value drivers:

- An analysis and review of the forecast revenue growth rates. This included sensitivity analyses performed on the forecast revenue and assessing the impact thereof on the valuation;
- An analysis of the sensitivity of the Valuation result to changes in the WACC; and
- An analysis and review of the forecast profit margins. This included a sensitivity analysis performed on the forecast EBITDA margins and assessing the impact thereof on the valuation.

The indicative fair value of Spanjaard's ordinary shares ranges between R3.80 and R4.20 with a most likely fair value of R3.90. The Offer Consideration of R3.90 per share is within the fair value range of Spanjaard's ordinary shares, thus the Transaction is considered fair to the shareholders of Spanjaard.

Limiting conditions

This opinion is provided to the Independent Board in connection with and for the purposes of the Transaction. This opinion is prepared solely for the Independent Board in satisfying the Company's obligations in terms of the Companies Act, Takeover Regulations and Listings Requirements and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

This opinion does not purport to cater for each individual Eligible Shareholder's perspective, but rather that of the general body of Eligible Shareholders. Should a shareholder be in any doubt as to what action to take, he or she should consult his/her financial advisor registered in terms of the Financial Advisory and Intermediary Services Act, 2002.

An individual Eligible Shareholder's decision as to whether or not to vote in favour of the Scheme and Delisting Resolution, and/or whether or not to participate in the Standby Offer will be influenced by his/her particular circumstances, risk profile, investment objectives, financial situation or particular needs with which we are obviously not *au fait*.

The assessment as to whether or not the Independent Board decides to recommend the Scheme, the Standby Offer and Delisting is a decision that can only be taken by the Independent Board.

It is expressly recorded that the conclusions and opinion in this letter have been based on the assumptions that all facts, matters, rights, obligations and contracts, to the extent that the same are relevant to the determination of the fair value of Spanjaard, the Scheme Shares and Standby Offer Shares, have been timeously disclosed to Suez Capital; that no information has been withheld or omitted by the directors or management which could be relevant to our opinion and that all information provided or statements made by Spanjaard and its directors or management to Suez Capital for the purposes of the fulfilment of its mandate has been full and complete and the directors and management are not aware of any material inaccuracy or omission.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Spanjaard or by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the Historical Financial Information and Forecasted Financial Information and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with International Auditing Standards.

Forecasts, including assumptions about Spanjaard's prospects, used in our analysis relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited or reviewed financial statements for completed accounting periods. We express no opinion as to how closely the actual future results will correspond to those projected or assumed.

Independence, competence and fees

We confirm that neither we nor any person related to us as contemplated in the Companies Act, Takeover Regulations and Listings Requirements, have a direct or indirect interest in Spanjaard, Spanjaard Group, its shareholders or the Transaction, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)b of the Companies Act. We specifically declare, as required by Regulations 90(3)(a) and 90(6)(i) of the Takeover Regulations, that we are independent in relation to the Transaction and will reasonably be perceived to be independent.

We also confirm that we have the necessary qualifications and competence to provide the fair and reasonable opinion and meet the criteria set out in section 114(2)(a) of the Companies Act. Suez Capital is accredited to perform fair and reasonable opinions and JSE-related work. It has a competent internal resource base with extensive experience in providing independent expert opinions.

Furthermore, we confirm that our professional fees of R135,000.00 (plus VAT) are payable in cash, and are not contingent upon the successful outcome of the Transaction.

The Offer Consideration compared to trading price statistics

The 30-day volume weighted average traded price and closing price per Spanjaard share amounts to R3.10 and R3.34 respectively on the last trading day prior to the publication of the Firm Intention Announcement. Since the Offer Consideration is at a premium to the traded share prices indicated above, it is considered to be reasonable.

Opinion

We have considered the terms and conditions of the Scheme and Standby Offer. Based upon and subject to the conditions set out herein we are of the opinion that the terms and conditions of the Scheme and Standby Offer are fair and reasonable to Eligible Shareholders.

Our opinion is necessarily based upon the information available to us up to 15 October 2021, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any regulatory approvals and consents required in connection with the Transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Consent

We hereby consent to the inclusion of this IPE report, in whole or in part, and references thereto contained in the Circular and any other announcement or document pertaining to the Transaction, in the form and context in which they appear.

Yours faithfully

HJ Louw

Director

Suez Capital Proprietary Limited

245 Marais Street

EXTRACTS FROM THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SPANJAARD FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2021, 29 FEBRUARY 2020 AND 28 FEBRUARY 2019

Extracts from the audited consolidated financial statements of Spanjaard for the financial years ended 28 February 2021, 29 February 2020 and 28 February 2019 are set out below.

Shareholders can obtain full copies of the financial statements for the past three years on the Spanjaard web address <https://www.spanjaard.biz/financials/>.

Copies thereof, will be available for inspection by the Shareholders at the registered offices of Spanjaard and at the offices of the Company's sponsors at their respective addresses.

CONSOLIDATED STATEMENT OF COMPREHENSIVE AND OTHER COMPREHENSIVE INCOME

	Year ended 28 February 2021 Audited R'000	Year ended 29 February 2020 Audited R'000	Year ended 28 February 2019 Audited R'000
Revenue	136 755	123 731	126 244
Cost of sales	-84 871	-77 554	-78 296
Gross profit	51 884	46 177	47 948
Other income	74	175	792
Distribution costs	-12 178	-11 792	-11 345
Administrative expenses	-33 302	-32 614	-32 356
Finance costs	-632	-852	-1 197
Profit before tax	5 846	1 094	3 842
Taxation	-1 244	1 031	-1 340
Profit for the year	4 602	2 125	2 502
Other comprehensive income / (loss)			
Items that may be subsequently reclassified to profit or loss			
Movement in foreign currency translation reserve	53	65	58
Items that will not be reclassified to profit or loss			
Revaluation on property, plant and equipment	218	1 119	985
hTax on revaluation on property, plant and equipment	-61	-313	-180
Total comprehensive income for the year attributable to ordinary shareholders	4 812	2 996	3 365
Earnings and diluted earnings per ordinary share (cents)	56,5	26,1	30,7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 28 February 2021 Audited R'000	As at 29 February 2020 Audited R'000	As at 28 February 2019 Audited R'000
Assets			
Non-current assets	34 971	34 888	33 370
Property, plant and equipment	27 981	27 940	31 047
Right of Use Assets	5 045	4 601	-
Intangibles	1 508	1 910	1 886
Goodwill	437	437	437
Current assets	40 531	36 548	37 160
Inventories	20 785	18 652	20 091
Trade receivables and other receivables	19 092	16 435	16 531
Cash and cash equivalents	540	1 461	538
Amount due by subsidiaries and related companies	114	-	-
Total assets	75 502	71 436	70 530
Liabilities			
Non-Current Liabilities	7 061	7 095	8 025
Deferred tax liabilities	4 851	4 878	5 675
Borrowings	2 210	2 217	2 350
Current Liabilities	16 333	16 888	18 204
Trade and other payables	9 686	10 217	9 601
Bank overdraft	2 061	4 474	6 780
Borrowings	1 334	1 375	900
Employee Benefits	3 252	822	923
Total Liabilities	23 394	23 983	26 229
Net Assets	52 108	47 453	44 301
Equity			
Capital and reserves attributable to the company's equity holders			
Ordinary shares and premium	6 871	6 871	6 871
Reserves	45 237	40 582	37 430
Total Equity	52 108	47 453	44 301

CONSOLIDATED STATEMENT OF CASH FLOW

	Year ended 28 February 2021 Audited R'000	Year ended 29 February 2020 Audited R'000	Year ended 28 February 2019 Audited R'000
Cash flows from operating activities			
Cash receipts from customers	135 030	122 989	126 214
Cash paid to suppliers and employees	-128 594	-116 465	-123 271
Cash generated from operations	6 436	6 524	2 943
Interest paid	-633	-856	-1 197
Interest received	1	4	-
Tax paid	-1 482	-	-
Net cash generated from operating activities	4 322	5 672	1 746
Cash flows from investing activities			
Purchases of property, plant and equipment	-835	-347	-138
Purchases Right of use assets	-466	-	7
Proceeds on sale of property, plant and equipment	177	-	-
Proceeds on sale of non-current assets held for sale	-	-	90
Purchases of intangible assets	-95	-873	-572
Net cash generated used in investing activities	-1 219	-1 220	-613
Cash flows from financing activities			
Repayment of lease liability	-1 524	-1 147	-1 024
Net cash generated used in financing activities	-1 524	-1 147	-1 024
Net increase in cash and cash equivalents	1 579	3 305	109
Cash and cash equivalents at beginning of year	-3 013	-6 242	-6 400
Effects of exchange rate changes on cash and cash equivalents	-87	-76	49
Cash and cash equivalents at end of year	-1 521	-3 013	-6 242

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	As at 28 February 2021 Audited R'000	As at 29 February 2020 Audited R'000	As at 28 February 2019 Audited R'000
Ordinary shares	407	407	407
Share premium	6 464	6 464	6 464
Foreign currency translation reserve	178	125	60
Opening balance	125	60	2
Net movement for the year	53	65	58
Revaluation reserve	8 370	8 397	7 497
Opening balance	8 397	7 497	7 621
Revaluation	157	806	805
Transfer to retained earnings	-184	94	-929
Share based payment compensation reserve	-	-	-
Opening balance	-	-	1 906
Transfer to retained earnings	-	-	-1 906
Retained earnings	36 689	32 060	29 873
Opening balance	32 060	29 873	24 536
Profit / (loss) from continuing operations	4 602	2 125	2 502
Transfer from Share based payment compensation reserve	-	-	1 906
Revaluation	-157	156	-
Transfer from revaluation reserve	184	-94	929
Total shareholders' equity	52 108	47 453	44 301

DIVIDENDS

Dividend declared per ordinary share (cents)

- interim	0,0	0,0	0,0
- final	0,0	0,0	0,0

SEGMENTAL REPORT

	Automotive R'000	Industrial R'000	Exports R'000	Consumer goods R'000	Head office, Manufacturing and other R'000	Total R'000
2021						
Sales	33 076	47 272	24 239	31 965	203	136 755
Cost of Sales	-17 510	-24 526	-9 098	-24 861	-8 876	-84 871
Gross profit / (loss)	15 566	22 746	15 141	7 104	-8 673	51 884
Other income	-	-	-	-	74	74
Distribution costs	-2 528	-3 262	-4 355	-13	-2 020	-12 178
Administrative expenses	-4 576	-3 948	-1 678	-	-23 100	-33 302
Finance income / (costs)	-	-	-	-	-632	-632
Profit / (loss) before tax	8 462	15 536	9 108	7 091	-34 351	5 846
Taxation	-	-	-82	-	-1 162	-1 244
Profit / (loss) for the year	8 462	15 536	9 026	7 091	-35 513	4 602

	Automotive R'000	Industrial R'000	Exports R'000	Consumer goods R'000	Head office, Manufacturing and other R'000	Total R'000
2020						
Sales	31 651	46 738	20 560	24 666	116	123 731
Cost of Sales	-17 714	-23 671	-8 951	-19 846	-7 372	-77 554
Gross profit / (loss)	13 937	23 067	11 609	4 820	-7 256	46 177
Other income	-	-	-	-	-339	-339
Distribution costs	-2 540	-3 199	-4 097	-29	-1 927	-11 792
Administrative expenses	-5 149	-4 996	-891	-	-21 064	-32 100
Finance income / (costs)	-	-	-	-	-852	-852
Profit / (loss) before tax	6 248	14 872	6 621	4 791	-31 438	1 094
Taxation	-	-	-227	-	1 258	1 031
Profit / (Loss) for the year	6 248	14 872	6 394	4 791	-30 180	2 125

	Automotive R'000	Industrial R'000	Exports R'000	Consumer goods R'000	Head office, Manufacturing and other R'000	Total R'000
2019						
Segment sales	36 177	44 192	19 396	26 163	316	126 244
Segment cost of sales	-18 405	-20 459	-9 874	-18 822	-10 736	-78 296
Segment gross profit / (loss)	17 772	23 733	9 522	7 341	-10 420	47 948
Segment other income	-	-	-	-	792	792
Segment distribution costs	-1 687	-2 207	-4 451	-287	-2 713	-11 345
Segment administrative expenses	-4 900	-5 631	-1 249	-	-20 576	-32 356
Segment finance costs	-	8	-	-	-1 205	-1 197
Profit / (loss) before tax	11 185	15 903	3 822	7 054	-34 122	3 842
Taxation	-	-	-124	-	-1 216	-1 340
Profit / (Loss) for the year	11 185	15 903	3 698	7 054	-35 338	2 502

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2021

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgements are discussed in point 5 of the accounting policies.

A. BASIS OF PREPARATION

The annual financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of those standards, as issued by the International Accounting Standards Board ("IASB"), the Financial Reporting pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Companies Act 71 of South Africa, 2008. The annual financial statements have been prepared using a combination of fair value and the historical costs basis of accounting as described in the accounting policies below.

The accounting policies are consistent with those of the prior year.

The annual financial statements have been prepared on the going concern basis and are presented in South African Rands rounded to the nearest thousand unless specifically stated otherwise.

B. BASIS OF CONSOLIDATION

The consolidated annual financial statements comprise the statements of financial position, the statements of profit or loss and comprehensive income, the statements of changes in equity and the statements of cash flows of the Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. Control is achieved when the Company:

- Exercises power over the investee, which is described as having existing rights that give the current ability to direct the activities of the investee that significantly affect the investee's returns (such activities are referred to as the 'relevant activities');
- has exposure, or rights, to variable returns from its involvement with the investee;
- has the ability to exert power over the investee to affect the amount of the investor's returns.

The Group will reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The subsidiaries are 100% owned and therefore there are no minority interests. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

C. BUSINESS COMBINATIONS AND INVESTMENT IN SUBSIDIARIES

Acquisitions of businesses are accounted for using the acquisition method whereby the acquirer will measure all identifiable assets and liabilities of the acquiree at fair value at date of acquisition. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Investments in subsidiaries are recognised at cost. These investments are subsequently measured at cost less any accumulated impairment losses in the separate annual financial statements of the Company.

D. FOREIGN CURRENCY TRANSLATION

- 1) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in South African Rands, which is the Company's functional and presentation currency.
- 2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.
- 3) Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
 - income and expenses for each profit and loss item are translated at average exchange rates for the year (unless the average is not a reasonable approximation of the cumulative effects of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
 - all resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to equity through other comprehensive income. When a foreign operation is sold, such exchange differences are recognised as a reclassification adjustment to profit and loss as part of the gain or loss on sale.

E. PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity;
- and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially recognised at cost including amounts incurred initially to acquire an item of property, plant and equipment and to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management. Amounts incurred subsequent to initial recognition to add to or replace part of an asset or as part of major maintenance are also recognised at cost.

Land and buildings comprise mainly factories and offices and are shown at revalued amount less accumulated depreciation and any impairment losses. Land and buildings are revalued every two years by an external, independent valuer or more frequently if carrying amount differs materially from its fair value. Plant and machinery is revalued every five years or more frequently when the carrying amount differs materially from its fair value.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment.

Any accumulated depreciation at the date of revaluation of land and buildings and plant and equipment is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation is calculated on the straight-line method to write off the cost or revalued amount of each asset to their residual values over their estimated useful lives as follows:

- Buildings 10 – 50 years
- Plant and machinery 3 – 25 years
- Motor vehicles 4 – 5 years
- Office furniture and equipment 3 – 10 years
- Land is not depreciated

Depreciation of an asset begins when it is available for use and ceases at the earlier of derecognition or when classified as held-for-sale. Depreciation is recognised in the statement of profit or loss and other comprehensive income. Depreciation relating to the revalued portion of revalued assets are transferred from the revaluation reserve to retained earnings.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

The residual value of an asset is the estimated amount that an entity would currently obtain from the disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual values of assets are reviewed by management after inspection of the asset on an annual basis and comparisons with market related prices. The assets useful lives and depreciation methods are also reviewed by management on an annual basis and adjusted as a change in estimate as appropriate, at each financial year-end.

F. INTANGIBLE ASSETS

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An intangible asset is derecognised when:

- it is no longer expected that any future economic benefits will flow to the entity; and
- when the asset is disposed of.

Intangible assets are initially recognised at cost and they are subsequently carried at cost less any accumulated amortisation and any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at each financial year-end.

Amortisation is recognised in the statement of profit or loss and other comprehensive income under the line item administrative expenses. Artwork consists of product label designs, promotional material designs, logos and similar graphics.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

- Trademarks 10 years
- Computer software 3 years
- Artwork 10 years

The residual value of an intangible asset is the estimated amount that an entity would currently obtain from the disposal of the intangible asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual values of intangible assets are reviewed by management on an annual basis. The assets useful lives and depreciation methods are also reviewed by management on an annual basis and adjusted as a change in estimate as appropriate, at each financial year-end.

G. IMPAIRMENT OF ASSETS

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group tests goodwill acquired in a business combination for impairment annually, and at the same time each year.

H. FINANCIAL INSTRUMENTS

Financial instruments comprise loans receivable, trade and other receivables (excluding prepayments), investments, cash and cash equivalents, non-current leases and loans payable, current leases and loans payable, bank overdrafts, and trade and other payables.

Recognition

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments. Financial assets are recognised on the date the Group commits to purchase the instruments. Financial assets are classified as current if expected to be realised or settled within 12 months from the reporting date; if not; they are classified as non-current. Financial liabilities are classified as non-current if the Group has an unconditional right to defer payment for more than 12 months from the reporting date.

Classification

The Group classifies financial assets on initial recognition as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) based on the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset. Financial assets are classified as follows:

- Amortised cost – The asset is held within a business model with the objective to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets are not reclassified unless the Group changes its business model. In rare circumstances where the Group does change its business model, reclassifications are done prospectively from the date that the Group changes its business model. Financial liabilities are classified and measured at amortised cost except for those derivative liabilities and contingent consideration that are measured at FVTPL.

Measurement on initial recognition

All financial assets and financial liabilities are initially measured at fair value, including transaction costs, except for those classified as FVTPL which are initially measured at fair value excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Subsequent measurement: Financial assets

Subsequent to initial recognition, financial assets are measured as described below.

- Amortised cost — these financial assets are subsequently measured at amortised cost using the effective interest method, less impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Subsequent measurement: Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire. On derecognition of a financial asset or liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Offsetting financial instruments

Offsetting of financial assets and liabilities is applied when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The net amount is reported in the statement of financial position.

Impairment

The Group calculates its allowance for credit losses based on expected credit losses (ECLs) for financial assets measured at amortised cost, debt instruments measured at FVOCI and contract assets.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the original effective interest rate (EIR) of the financial asset and are presented as part of net impairment losses on financial and other assets in the statement of comprehensive income.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. At each reporting date, the Group assesses whether there has been a significant change in credit risk since initial recognition.

Trade receivables are written off when there is no reasonable expectation of recovery.

The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor; and/or
- probability that the debtor will enter bankruptcy or financial reorganisation; and/or
- default or delinquency in payments. (This is identified via the Group's collection procedures after notification from Credit Guarantee that the debtors' due amount cannot be recovered.)

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business and are accounted for at amortised cost. Other receivables are stated at their nominal values.

Trade and other payables

Trade payables, sundry creditors and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are accounted for in accordance with the accounting policy for financial liabilities as included above. Other payables are stated at their nominal values.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement.

Borrowings

Borrowings are initially measured at fair value plus transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Borrowings are categorised as financial liabilities at amortised cost.

I. LEASES

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received – any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life as noted in Note E and F above. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

J. INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the

weighted average method. The cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

K. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, are shown in equity as a deduction, net of tax, from the proceeds.

L. TAXATION

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior periods is, to the extent unpaid, recognised as a liability.

M. CURRENT TAX ASSETS AND LIABILITIES

If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

If the amount already paid in respect of current and prior periods is less than the amount due for those periods, the shortfall is recognised as a liability.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

N. DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxation is provided, using the statement of financial position liability method, on all temporary differences at the statement of financial position date between the carrying amounts for financial reporting purposes and their tax bases, except for those that arise on initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor tax profit. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted at the statement of financial position date. Deferred taxes are recognised as an income or an expense and included in profit or loss for the period except if they relate to a transaction or event which is recognised in either other comprehensive income or directly in equity; or if the deferred tax arises from a business combination transaction.

O. EMPLOYEE BENEFITS

1) Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. Short-term employee benefit obligations are measured on an undiscounted basis. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group has a leave pay policy that allows for employees to utilise their leave over a 12-month period. This period is utilised by the employees and the leave accrual is therefore expected to be settled within a period not exceeding 12 months; leave pay is therefore considered a short-term employee benefit. Short-term employee benefit costs are recognised as the employee renders the related service calculated based on current salary rates.

2) Provident fund obligations

The Group's employees are members of a scheme that is funded through payments to a defined contribution plan. A defined contribution plan is a provident plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs as the related service is rendered.

P. REVENUE RECOGNITION

Revenue is derived from the sale of goods consisting of various aerosols, fuel additives, greases, car care products and anti-friction powders. To determine whether to recognise revenue, the Group follows a 5-step process:

- 1) Identifying the contract or purchase order with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price or goods ordered
- 4) Allocating the transaction price to the performance obligations
- 5) Recognising revenue when/as performance obligation(s) are satisfied

Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions has lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Certain customers have rebate agreements in place. Revenue from sales to these customers is recognised based on the price specified in the contract net of the agreed rebate amounts. A rebate liability (Included in trade and other payables) is recognised for expected rebates payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The need to exercise critical judgement in recognising revenue is limited.

Q. COST OF SALES

Cost of sales measures the cost of goods produced in a period by the entity. It includes the cost of the direct materials used in producing the goods, direct employment costs used to produce the good, depreciation along with any other direct costs associated with the production of goods.

R. GOODWILL

Goodwill is initially recognised and measured as set out below.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

S. JUDGEMENTS AND ESTIMATES

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not always equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- (i) Asset lives and residual values (estimate)
Property, plant and equipment are depreciated over their useful lives taking into account residual values, where applicable. Management uses judgement in determining the future useful lives and residual values using other similar assets useful lives and proceeds received from those assets.

- (ii) Fair value measurement (judgement)
Freehold land and buildings are measured at fair value for financial reporting purposes. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the related actual results. In determining the open market value of freehold land and buildings the Company used the services of an expert, JC Bokhorst Valuation Services (Pty) Ltd, who used a number of valuation approaches as disclosed in Note 3 in order to assist in determining the fair value of Land and Buildings. These valuation techniques underlying management's estimation as well as the fair value hierarchy is provided in note 30.

Plant and machinery are measured at fair value for financial reporting purposes. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the related actual results. In determining the open market value of plant and machinery the Company used the services of Property Partnership CC who used a number of valuation approaches in order to value the Plant and Machinery. These valuation techniques underlying management's estimation as well as the fair value hierarchy is provided in note 30.

Management reviewed the assumptions applied by the independent valuers for appropriateness and reasonability in assessing the fair value determined by the valuers.

- (iii) Impairment of assets (judgement)
Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. Management's judgement is also required when assessing whether previously recognised impairment losses should be reversed. The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is the asset's value in use.

All categories of assets are considered for impairment at each year-end. The recoverable amount is determined if there is a reason to believe that impairment may be necessary.

- (iv) Deferred tax assets (judgement)
In raising deferred tax assets, management uses judgement in estimating whether future taxable income will be achieved. If the future taxable income is not certain, no deferred tax asset will be raised. Management reviewed the future cash flow, which is based on estimated figures, of each entity to determine whether future taxable income will be achieved and where there was uncertainty in future taxable income, no deferred tax asset was raised.
- (v) Lease liability (judgement)
Management has used its judgement in determining the incremental borrowing rate and lease term in order to recognise the right of use asset in Spanjaard Limited for the use of the property owned by Torpedo.

Management assessed that 20 years was an appropriate lease term as it is the general useful life of a property. The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 12,5% (prime plus 2%). The rate coincides with the borrowing rate the Company achieved with financing of its other assets.

- (vi) Expected credit loss (judgement)
Management had to use judgement to determine the expected rate of default resulting from sales to customers. In assessing the estimated default rate percentage, management reviewed when the receivable was made for sales for a particular month.

T. NEW STANDARDS AND IMPLEMENTATION

- 1) Standards and interpretations effective and adopted in the current year
In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. The effective date of the amendment is for years beginning on or after 01 January 2020. The company adopted the amendment for the first time in the 2021 annual financial statements. The impact of this amendment is not material.

- 2) Standards, interpretations and amendments issued not yet effective
Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

Amendment to IAS 1, 'Presentation of financial statements' Classification of Liabilities as current or non-current

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.

The amendments are effective for annual reporting periods beginning on or after 01 January 2022.

The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the company has no convertible debt instruments and therefore, does not affect the classification of its convertible debt as a non-current liability.

IFRS 7 - Financial Instruments disclosure; IFRS 9 - Financial Instruments; IFRS 16 - Leases; IFRS 39 - Financial Instruments Recognition and measurement Interest Rate Benchmark Reform Phase 2:

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

The effective date of the amendment is for years beginning on or after 01 January 2021.

The Group does not believe that the Interest Rate benchmark reform phase 2 will have a material impact on its leases and financial instruments.

SECTION 115 – REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART A OF CHAPTER 5 OF THE COMPANIES ACT

“Section 115: Required approval for transactions contemplated in Part A

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless –
- (a) the disposal, amalgamation or merger, or scheme of arrangement –
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to –
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved –
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the Company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the Company's holding company if any, if –
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if–
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the Company to seek court approval; or the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights –
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
(4A) In subsection (4), “act in concert” has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the Company must either –
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant –
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if –
 - (a) the resolution is manifestly unfair to any class of holders of the Company’s securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the Company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person –
 - (a) notified the Company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect –
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

SECTION 164 – DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

Section 164: Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to—
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the Company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the Company must send a notice that the resolution has been adopted to each shareholder who—
 - (a) gave the Company a written notice of objection in terms of subsection (3); and
 - (b) has neither –
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the Company pay the shareholder the fair value for all of the shares of the Company held by that person if –
 - (a) the shareholder –
 - (i) sent the Company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the Company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the Company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder –
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the Company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the Company within –
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state –

- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless –
- (a) the shareholder withdraws that demand before the Company makes an offer under subsection (11), or allows an offer made by the Company to lapse, as contemplated in subsection (12)(b);
 - (b) the Company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the Company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of –
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the Company received a demand as contemplated in subsection (7)(b), if applicable, the Company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the Company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11) –
- (a) in respect of shares of the amended class or series must be on the amended terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12) –
- (a) the shareholder must either in the case of –
 - (i) shares evidenced by certificates, tender the relevant share certificates to the Company or the Company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the Company or the Company's transfer agent; and
 - (b) the Company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and –
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the Company of uncertificated shares.

- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the Company to pay the shareholder the fair value so determined, if the Company has–
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14)–
- (a) all dissenting shareholders who have not accepted an offer from the Company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the Company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court–
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may –
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the Company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring–
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the Company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the Company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the Company in terms of subsection (11), in which case –
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the Company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the Company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the Company being unable to pay its debts as they fall due and payable for the ensuing 12 months
- (a) the Company may apply to a court for an order varying the Company's obligations in terms of the relevant subsection; and

- (b) the court may make an order that–
 - (i) is just and equitable, having regard to the financial circumstances of the Company; and
 - (ii) ensures that the person to whom the Company owes money in terms of this section is paid at the earliest possible date compatible with the Company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the Company, or an acquisition of its shares by the Company within the meaning of section 48, and therefore are not subject to–
 - (a) the provisions of that section; or
 - (b) the application by the Company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent–
 - (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.”

SECTION 124 – COMPULSORY ACQUISITIONS AND SQUEEZE OUT

- “(1) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
- (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
 - (i) that the offer has been accepted to that extent; and
 - (ii) that the offeror desires to acquire all remaining securities of that class; and
 - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1)(a), a person may apply to a Court for an order:
- (a) that the offeror is not entitled to acquire the applicant's securities of that class; or
 - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
- (a) the offeror may apply to a Court for an order authorising the offeror to give a notice contemplated in subsection (1)(a); and
 - (b) the Court may make the order applied for, if:
 - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
 - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
 - (iii) the consideration offered is fair and reasonable; and
 - (iv) the Court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class:
- (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
 - (b) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person's securities of the class concerned; and
 - (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4)(b):

- (a) six weeks after the date on which the notice was given or, if an application to a Court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
 - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of those securities by any person appointed by the offeror; and
 - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
 - (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest-bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
- (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
 - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7) (a) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer."

PRICE AND TRADING HISTORY OF SPANJAARD ON THE JSE

Set out below is a table showing the highest, lowest and closing prices and aggregate volumes traded in Spanjaard Shares for:

- each day over the 30 trading days preceding the Last Practicable Date; and
- each month over the 12 months prior to the date of issue of this Circular.

Daily	High (cents)	Low (cents)	Closing (cents)	Volume	Value R
14 September 2021	370	359	359	5409	19437.99
15 September 2021	373	359	359	5234	18860.06
16 September 2021			359		
17 September 2021	360	357	357	16065	57832.05
20 September 2021	370	355	370	5214	18634.54
21 September 2021	352	316	343	29217	101088.64
22 September 2021			343		
23 September 2021	334	333	333	10000	33374.87
27 September 2021	373	373	373	100	373
28 September 2021	373	346	350	721	2680.6
29 September 2021			350		
30 September 2021			350		
1 October 2021	369	360	360	40852	150723.09
4 October 2021	360	350	360	6036	21726.90
5 October 2021	370	360	360	35384	127421.00
6 October 2021					
7 October 2021	360	360	360	65	234.00
8 October 2021					
11 October 2021					
12 October 2021	376	361	361	149	559.49
13 October 2021					
14 October 2021					
15 October 2021					
19 October 2021	375	360	360	35222	126939.35
20 October 2021	360	355	355	8306	29817.44
21 October 2021					

Monthly	High (cents)	Low (cents)	Closing (cents)	Volume	Value R
September 2020			175		
October 2020			399		
November 2020			376		
December 2020			376		
January 2021			400		
February 2021	311	281	286	157961	481478.85
March 2021			294		
April 2021	397	397	397	16	63.52
May 2021			287		
June 2021			350		
July 2021	335	304	335	1454	4421.4
August 2021	370	370	370	353	1306.1
September 2021			350		
4 October 2021	360	350	360	6036	21726.9

Quarterly	High (cents)	Low (cents)	Closing (cents)	Volume	Value R
28 February 2019			298		
31 May 2019			165		
30 August 2019			210		
29 November 2019			174		
28 February 2020			180		
29 May 2020			103		
31 August 2020			170		
30 November 2020			376		

EXCHANGE CONTROL REGULATIONS

1. FOREIGN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and the Listings Requirements, and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Regulations, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa, or the requirements of any securities exchange other than the JSE.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

Spanjaard Shareholders who are not resident in, or who have registered addresses outside of South Africa, must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Scheme Consideration or, as the case may be, the Standby Offer Consideration including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Spanjaard Shareholders who are in any doubt as to their positions should consult their professional advisors immediately.

2. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Scheme Participants or, as the case may be, Standby Offer Participants. Scheme Participants or Standby Offer Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

2.1 Residents of the Common Monetary Area

In the case of:

- 2.1.1 Own-name Scheme Participants, or as the case may be Standby Offer Participants holding Spanjaard Shares whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, payment will be made to such Scheme Participants or Standby Offer Participants; or
- 2.1.2 Scheme Participants, or as the case may be, Standby Offer Participants whose Spanjaard Shares are held by CSDPs or Brokers on their behalf as nominees and whose registered addresses in the sub-register managed by CSDPs or Brokers are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations, the Scheme Consideration or, as the case may be, Standby Offer Consideration, will reflect in the account nominated for the relevant Scheme Participant or, as the case may be, Standby Offer Participant, by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

2.2 Emigrants from the Common Monetary Area

- 2.2.1 The Scheme Consideration or, as the case may be, Standby Offer Consideration, is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.
- 2.2.2 The Scheme Consideration or, as the case may be, Standby Offer Consideration, due to an own-name Scheme Participant or Standby Offer Participant who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the authorised dealer in foreign exchange in South Africa controlling the Scheme Participant's or, as the case may be Standby Offer Participant's blocked assets in accordance with his instructions, against delivery of the relevant Documents of Title.
- 2.2.3 In terms of a recent relaxation to the exchange control rulings, emigrants may externalise the Scheme Consideration or, as the case may be, Standby Offer Consideration, by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is, however, no longer the position and the Scheme Consideration or, as the case may be Standby Offer Consideration, may, on application, be externalised free of the levy.
- 2.2.4 The authorised dealer releasing the relevant Documents of Title in terms of the Scheme or, as the case may be, the Standby Offer, must countersign the Form of Surrender and Transfer or the Standby Offer Form thereby indicating that the Scheme Consideration or, as the case may be, the Standby Offer Consideration, will be placed directly in its control.
- 2.2.5 The attached Form of Surrender and Transfer or, as the case may be, the Standby Offer Form makes provision for the details of the authorised dealer concerned to be provided.

2.3 All other non-residents of the Common Monetary Area

- 2.3.1 The Scheme Consideration or, as the case may be, the Standby Offer Consideration, due to an own-name Scheme Participant or, as the case may be, Standby Offer Participant, who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Scheme Participant or, as the case may be, Standby Offer Participant. It will be incumbent on the Scheme Participant or, as the case may be, Standby Offer Participant concerned to instruct the nominated authorised dealer as to the disposal of the Scheme Consideration or, as the case may be the Standby Offer Consideration, against delivery of the relevant Documents of Title.
- 2.3.2 The Form of Surrender and Transfer or, as the case may be, the Standby Offer Form, attached to this Circular makes provision for the nomination required in terms of paragraph 2.3.1 above. If the information regarding the authorised dealer is not given in terms of paragraph 2.3.1 above, the Scheme Consideration or, as the case may be, the Standby Offer Consideration will be held in trust by Spanjaard for the Scheme Participants or, as the case may be, the Standby Offer Participant concerned pending receipt of the necessary information or instruction.

DETAILS OF SPANJAARD SHARES TRADED BY SPANJAARD SHAREHOLDERS WHO HAVE PROVIDED IRREVOCABLE UNDERTAKINGS

Details of the Spanjaard Shares traded by the Spanjaard Shareholders listed in paragraph of this Circular during the six months prior to the release of the Cautionary Announcement and ending on the Last Practicable Date are set out below:

Spanjaard Shareholder	Trade Date	Nature of Trade	Trade Price ("R")	Total Number of Shares Traded
M Thulo	25 June 2021	Sold	2.89	6 100
M Thulo	30 July 2021	Purchase	2.85	3 464

**SPANJAARD LIMITED**

(Incorporated in the Republic of South Africa)
 (Registration number 1960/004393/06)
 Share code: SPA ISIN: ZAE000006938
 (“Spanjaard” or “the Company”)

SPANJAARD GROUP LIMITED

(“Spanjaard Group”)

STANDBY OFFER**1. INTRODUCTION**

- 1.1 Spanjaard Shareholders are referred to the joint announcement by the Company and Spanjaard Group, published on SENS on 27 August 2021, advising of the firm intention of Spanjaard Group to implement the Transaction and to make an offer to acquire all the Spanjaard Shares not already held by Spanjaard Group:
 - 1.1.1 by way of the Scheme; or
 - 1.1.2 if the Scheme fails, by way of the Standby Offer.
- 1.2 The Standby Offer will become effective if the Scheme fails and the Company shall announce same through SENS.
- 1.3 The Standby Offer, if made, will be an affected transaction as defined in section 117 of the Companies Act. The Standby Offer will be implemented in accordance with the Companies Act and the Companies Regulations and will be regulated by the TRP.
- 1.4 The purpose of this Annexure 9 is to:
 - 1.4.1 set out the terms and conditions on which the Standby Offer is extended to all Spanjaard Shareholders; and
 - 1.4.2 record the terms of the Standby Offer in compliance with the Companies Act and the Companies Regulations.
- 1.5 If the Standby Offer is implemented, only Spanjaard Shareholders who have accepted the Standby Offer in respect of all (and not part only) of their Spanjaard Shares will sell their Spanjaard Shares to Spanjaard Group for the Standby Offer Consideration. Those Spanjaard Shareholders who do not accept the Standby Offer in respect of all (and not part only) of their Spanjaard Shares will remain Spanjaard Shareholders, but Spanjaard will no longer be listed on the Main Board of the JSE.
- 1.6 The Standby Offer is an integral part of the Transaction and this Annexure 9 should be read together with and in the context of this Circular as a whole.

2. IMPORTANT DATES AND TIMES

If the Standby Offer is made, all salient dates and times in relation to the Standby Offer will be published on SENS and in the South African press. The Standby Offer Closing Date is expected to be on or about Friday, 7 January 2022.

3. INFORMATION ABOUT SPANJAARD, SPANJAARD GROUP AND THE RATIONALE FOR THE STANDBY OFFER

The rationale for Standby Offer is the same as for the Scheme, which is set out in paragraph 4 of this Circular.

4. TERMS OF THE STANDBY OFFER

4.1 The Standby Offer

- 4.1.1 If the Scheme fails, Spanjaard Group irrevocably offers to acquire all the Spanjaard Shares (excluding any Spanjaard Shares held by Spanjaard Group in exchange for the Standby Offer Consideration. Spanjaard Shareholders may only elect to accept the Standby Offer in respect of all of the Spanjaard Shares beneficially owned by them and no partial acceptances will be permitted.
- 4.1.2 The Standby Offer will be subject to and will become unconditional upon the fulfilment or waiver of the Standby Offer Conditions.
- 4.1.3 Spanjaard Group confirms that it will be the ultimate acquirer of the Standby Offer Shares and that it is acting alone and not in concert with any party.

4.2 The Standby Offer Consideration

- 4.2.1 If the Standby Offer becomes unconditional and is implemented, each Standby Offer Participant who has validly accepted the Standby Offer will receive the Standby Offer Consideration for each Standby Offer Share held by such Standby Offer Participant as at the Standby Offer Closing Date.
- 4.2.2 Standby Offer Participants who have validly accepted the Standby Offer will receive the Standby Offer Consideration for every Standby Offer Share held by them on the Standby Offer Closing Date, subject to a maximum consideration payable by Spanjaard Group of R3.90 cash consideration payable to each Standby Offer Participant shall be rounded down to the nearest whole cent), times 2 300 284 Spanjaard Shares, being the current aggregate number of Standby Offer Shares).

4.3 The Standby Offer Period

- 4.3.1 The Standby Offer is irrevocable and will be open for acceptance from 09:00 on the Standby Offer Opening Date and shall close at 12:00 on the Standby Offer Closing Date. The Standby Offer will be open for acceptance by those Spanjaard Shareholders (in respect of their Spanjaard Shares other than Spanjaard Group) that are recorded in the Register as holders of those Spanjaard Shares at any time from the Standby Offer Opening Date up to and including the Standby Offer Closing Date.
- 4.3.2 Spanjaard Group may, in its absolute and sole discretion, but subject to the provisions and requirements of the Companies Act and the Companies Regulations, extend the Standby Offer Closing Date, in which event the amended Standby Offer Closing Date will be released on SENS and published in the South African press.

4.4 Cash Confirmation

The TRP has been given appropriate written confirmations as contemplated in Regulation 111(4) and 111(5) of the Companies Regulations by way of a cash confirmation issued by Standard Bank up to a maximum guaranteed amount equal to R8 971 107.60 that Spanjaard Group has sufficient cash resources available to meet its cash commitments to Spanjaard Shareholders in relation to the Standby Offer and the Standby Offer Consideration.

4.5 Amendment or variation of the Standby Offer

- 4.5.1 Subject to compliance with applicable law and regulation and the requirements of the JSE and the TRP, no amendment or variation of the Standby Offer shall be valid unless it is agreed to by Spanjaard Group in writing, provided that:
 - 4.5.1.1 Spanjaard Group shall not agree to any amendment or variation that has the effect of reducing the Standby Offer Consideration; and
 - 4.5.1.2 Spanjaard Group shall be entitled at any time to increase the Standby Offer Consideration, and to effect the necessary amendments consequent on such increase, without requiring the consent of the Company.

- 4.5.2 Where an amendment to the terms and conditions of the Standby Offer is required by a regulatory authority, the prior written consent of Spanjaard Group shall be required for such amendment (which consent shall not be unreasonably withheld or delayed).

4.6 No set-off of Standby Offer Consideration

Settlement of the Standby Offer Consideration pursuant to the Standby Offer will be implemented in full in accordance with the terms of the Standby Offer without regard to any lien, right of set-off, counterclaim, deduction, withholding or other analogous right to which Spanjaard Group may otherwise be, or claim to be, entitled against any Spanjaard Shareholder.

4.7 Section 124 of the Companies Act and delisting of the Company

- 4.7.1 In the event that the Standby Offer becomes unconditional and is implemented, and Spanjaard Group acquires at least 90% of the Spanjaard Shares, other than any such Spanjaard Shares held immediately before the Standby Offer Opening Date by Spanjaard Group or any related or inter-related person of Spanjaard Group, or any of its concert parties, or any nominee or subsidiary of such persons, then Spanjaard Group may be entitled to acquire 100% of the Spanjaard Shares following the successful implementation of the minority "squeeze out" provisions of section 124 of the Companies Act.
- 4.7.2 It is one of the Standby Offer Conditions that the Delisting Resolution is passed at the General Meeting. Accordingly, if the Standby Offer is made, the Delisting Resolution will have been passed at the General Meeting by the requisite majority of Spanjaard Shareholders. Spanjaard Group intends for the Company to make application to the JSE for the delisting of the Spanjaard Shares from the Main Board of the JSE, subject to the Standby Offer being implemented.
- 4.7.3 The Delisting Resolution is contained in the Notice of General Meeting. In terms of the Listings Requirements, the Delisting Resolution requires approval by more than 50% of the votes of all Spanjaard Shareholders present or represented by proxy at the General Meeting, excluding any controlling Spanjaard Shareholder, its associates and any party acting in concert with it.

Spanjaard Shareholders that do not accept the Standby Offer in respect of all their Spanjaard Shares should note that in the event that the Company is delisted, they will remain minority shareholders in an unlisted entity that is no longer subject to the Listings Requirements.

4.8 Termination/cancellation of the Standby Offer

- 4.8.1 Spanjaard Shareholders are advised that the Standby Offer will be cancelled, and all rights and obligations of parties under the Standby Offer shall, subject to paragraph 4.8.2 of this Annexure 9, cease, in the event that the Implementation Agreement is terminated, in circumstances as more fully set out in paragraph 7 of Section H of this Circular, after fulfilment of the Standby Offer Conditions.
- 4.8.2 Termination of the Standby Offer shall be without prejudice to the rights of any party thereto that may have arisen prior to termination, and/or the rights of any party thereto to bring any other claim or action available at law against the other arising from a breach of the Standby Offer. The lapsing, cancellation or termination of the Standby Offer shall not affect those provisions of the Standby Offer which expressly provide they will operate after any such lapsing, cancellation or termination or which by implication must continue to have effect thereafter.

4.9 No encumbrance

Each Standby Offer Participant is deemed, on the relevant Standby Offer Settlement Date, to have warranted and undertaken in favour of Spanjaard Group that the relevant Standby Offer Shares are not subject to a pledge or otherwise encumbered, or if subject to any such pledge or encumbrance, that such Standby Offer Shares shall be released from such pledge or other encumbrance immediately following payment and discharge of the Standby Offer Consideration.

4.10 Foreign Shareholders and Exchange Control Regulations

Annexure 7 to this Circular contains a summary of the Exchange Control Regulations as they apply to Standby Offer Participants. Standby Offer Participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the Standby Offer Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

4.11 General

4.11.1 The Standby Offer is governed by the laws of South Africa (excluding the conflicts of laws rules of that jurisdiction to the extent such rules require the application of the laws of any other jurisdiction). Each of the Company and Spanjaard Group submits, and each Standby Offer Participant shall be deemed to have irrevocably submitted and consented, to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg in relation to all matters arising out of or in connection with the Standby Offer.

4.11.2 Without prejudice to any other rights and remedies which a party to the Standby Offer may have, each party to the Standby Offer acknowledges and agrees that damages may not be an adequate remedy for any breach of the provisions of the Standby Offer and a party shall be entitled to seek the remedies of interdict, specific performance and other equitable relief (and no party shall contest the appropriateness or availability thereof), for any threatened or actual breach of any such provision of the Standby Offer and no proof of special damages shall be necessary for the enforcement by a party of its rights under the Standby Offer.

4.11.3 The rights and obligations of each party to the Standby Offer may not be ceded, delegated, assigned or otherwise transferred.

4.11.4 No failure of a party to the Standby Offer to exercise, and no delay by it in exercising any right, power or remedy in connection with the Standby Offer (each a "**Right**") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right.

4.11.5 If any provision of this Standby Offer (other than a material provision of the Standby Offer) shall be held to be illegal, invalid or unenforceable, in whole or in part, under the law of any jurisdiction, the legality, validity or enforceability of such provision or part under the law of any other jurisdiction and the legality, validity and enforceability of the remainder of the Standby Offer shall not be affected.

5. STANDBY OFFER CONDITIONS

5.1 The Standby Offer shall, by no later than the Long Stop Date or such other date as may be specified in the specific Standby Offer Condition, be subject to the fulfilment of each of the Scheme Conditions set out in paragraph 5.2 of Section H of this Circular, other than the Scheme Conditions in paragraphs 5.2.1, 5.2.3, 5.2.4 and 5.2.5 of Section H of this Circular.

- 5.2 An announcement will be released on SENS and published in the South African press as soon as possible after the fulfilment, waiver or non-fulfilment, as the case may be, of all of the Standby Offer Conditions.

6. MATERIAL PROVISIONS OF THE IMPLEMENTATION AGREEMENT

Spanjaard Shareholders are referred to paragraph 7 of Section H of this Circular for information regarding the provisions of the Implementation Agreement, including the undertakings given by the Company, termination provisions and fee contribution and costs provisions. The Implementation Agreement is, along with the other documents referred to in paragraph 21 of Section H of this Circular, available for inspection.

7. PROCEDURE FOR ACCEPTANCE OF THE STANDBY OFFER

7.1 General

- 7.1.1 The Standby Offer may only be accepted by Spanjaard Shareholders in respect of all (and not only a part of) their Spanjaard Shares. Spanjaard Shareholders who do not wish to accept the Standby Offer in respect of all their Spanjaard Shares need take no further action and will be deemed to have declined the Standby Offer. In order to lawfully and validly accept the Standby Offer, a Spanjaard Shareholder must be recorded in the Register on the date of acceptance, in this regard it should be noted that the Standby Offer LDT is the last day to trade Spanjaard Shares in order to be registered in the Register on the Standby Offer Closing Date.
- 7.1.2 Spanjaard Shareholders are referred to the section entitled "Action required by Spanjaard Shareholders in relation to the Standby Offer", set out in Section E of this Circular, which details the action to be taken by Spanjaard Shareholders in relation to the Standby Offer.
- 7.1.3 Spanjaard Group reserves the right, in its absolute and sole discretion, to:
- 7.1.3.1 treat as invalid, Standby Offer Forms not completed correctly or not accompanied by the relevant Documents of Title (or, if applicable, evidence reasonably satisfactory to Spanjaard Group that the Documents of Title to the relevant Standby Offer Shares have been destroyed or lost and an indemnity reasonably acceptable to Spanjaard Group, as detailed above); and
- 7.1.3.2 require proof of the authority of the person signing the Standby Offer Form where such proof has not yet been lodged with or recorded by the Transfer Secretaries; or
- 7.1.3.3 to condone the non-compliance by any Certificated Shareholder with any of the terms of the Standby Offer.
- 7.1.4 If a Standby Offer Form is treated as invalid due to non-compliance with the instructions contained therein, then the Spanjaard Shareholder that submitted that form will be deemed to have declined the Standby Offer, unless that Spanjaard Shareholder re-submits a properly completed Standby Offer Form

7.2 Acceptances irrevocable

- 7.2.1 All valid acceptances of the Standby Offer received by the Transfer Secretaries on or prior to the Standby Offer Closing Date, shall be irrevocable, subject to the rights of Standby Offer Participants to withdraw such acceptance in the limited circumstances contemplated in Companies Regulation 105.
- 7.2.2 Standby Offer Participants should note that they may not trade any Spanjaard Shares in respect of which they have accepted the Standby Offer, from the date of acceptance of the Standby Offer.

7.3 Transaction receipts

No receipts will be issued by the Transfer Secretaries for Standby Offer Forms unless specifically requested to do so by the Spanjaard Shareholder in question. Lodging agents who require special transaction receipts are requested to prepare such receipts and to submit them for stamping by the Transfer Secretaries together with the Standby Offer Form.

7.4 Acceptances of the Standby Offer by nominee companies and representatives

Acceptances of the Standby Offer by recognised nominee companies may be submitted in

aggregate or in respect of each Spanjaard Shareholder represented by such nominee companies. Any representative accepting the Standby Offer warrants that it is duly authorised to do so.

7.5 Standby Offer not made where unlawful

- 7.5.1 The lawfulness of the Standby Offer to Spanjaard Shareholders resident in jurisdictions outside of South Africa may be affected by laws of the relevant jurisdiction. Such Spanjaard Shareholders should familiarise themselves with any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such Spanjaard Shareholders wishing to accept the Standby Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.
- 7.5.2 In particular, the Standby Offer is not being made, directly or indirectly, in or into any jurisdiction where it is unlawful for the Standby Offer to be made or accepted ("the Affected Jurisdictions") or by the use of mail, or by means or instrumentality of interstate or foreign commerce of, or any facility of a national securities exchange of, any of the Affected Jurisdictions. In such circumstances, this Circular is sent for information purposes only.
- 7.5.3 Spanjaard Shareholders wishing to accept the Standby Offer should not use the post of any of the Affected Jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the Standby Offer. Envelopes containing Standby Offer Forms or other documents relating to the Standby Offer should not be post-marked in any of the Affected Jurisdictions or otherwise dispatched from any of the Affected Jurisdictions and all acceptors must provide addresses outside the Affected Jurisdictions for receipt of the Standby Offer Consideration to which they are entitled under the Standby Offer.

7.6 Representation and Warranty of Foreign Shareholders

Spanjaard Shareholders who complete the Standby Offer Form are deemed to represent and warrant to Spanjaard Group that they have not received or sent copies or originals of this Circular, the Standby Offer Form or any related documents in, into or from the Affected Jurisdictions and have not otherwise utilised in connection with the Standby Offer, the mails, or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or of any facility of a national securities exchange of, the Affected Jurisdictions, and that the Standby Offer Form has not been mailed or otherwise sent in, into or from the Affected Jurisdictions and such Spanjaard Shareholders is accepting the Standby Offer from outside the Affected Jurisdictions.

8. SETTLEMENT OF THE STANDBY OFFER CONSIDERATION

- 8.1 Spanjaard Shareholders are referred to the section entitled "Action required by Spanjaard Shareholders in relation to the Standby Offer", set out in Section E of this Circular, which sets out the action to be taken by Spanjaard Shareholders in relation to the Standby Offer.
- 8.2 Settlement of the Standby Offer Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 7 to this Circular.
- 8.3 Spanjaard Group or its agents will administer and effect the payment of the Standby Offer Consideration to Standby Offer Participants.
- 8.4 If the Standby Offer becomes operative:
- 8.4.1 Standby Offer Participants who hold Dematerialised Shares will have their accounts held at their CSDP or Broker credited with the Standby Offer Consideration and debited with the Standby Offer Shares they are transferring to Spanjaard Group pursuant to the Standby Offer on the Standby Offer Settlement Date.

- 8.4.2 Standby Offer Participants who hold Certificated Shares:
- 8.4.2.1 who have surrendered their Documents of Title and completed Standby Offer Form to the Transfer Secretaries on or before 12:00 on the Standby Offer Closing Date, will have paid to them by way of EFT on the Standby Offer Settlement Date; or
 - 8.4.2.2 who surrender their Documents of Title and completed Standby Offer Form to the Transfer Secretaries after 12:00 on the Standby Offer Closing Date, will have paid to them by way of EFT within five Business Days of the Transfer Secretaries receiving their Documents of Title and completed Standby Offer Form.
- 8.5 In the event that a Standby Offer Participant who holds Certificated Shares fails to surrender its Documents of Title and completed Standby Offer Form to the Transfer Secretaries within five years of the Standby Offer Closing Date, the Standby Offer Consideration due to such Standby Offer Participant will be paid to the benefit of the Guardian's Fund of the Master of the High Court. In this regard, such Standby Offer Participant irrevocably authorises and appoints the Company and/or Spanjaard Group, in *rem suam*, with full power of substitution, to act as agent in the name, place and stead of each such Standby Offer Participant to pay the Standby Offer Consideration to the benefit of the Guardian's Fund in the aforesaid manner. For the avoidance of doubt, no interest will accrue for the benefit of Standby Offer Participants on the Standby Offer Consideration.
- 8.6 Delivery by Spanjaard Group to Standby Offer Participants of the Standby Offer Consideration shall be the sole and exclusive manner of discharge by Spanjaard Group of its obligations in terms of the Standby Offer.
- 8.7 The rights of Standby Offer Participants to receive the Standby Offer Consideration will be rights enforceable by the Standby Offer Participants against Spanjaard Group.
- 8.8 Acceptance of the Standby Offer may have an effect on an individual Standby Offer Participant's tax position. The nature of the tax implications, whether related to income tax, capital gains tax or any other tax, will vary from one Standby Offer Participant to another. The jurisdiction in which the Standby Offer Participant resides may also have a bearing on the tax implications. Spanjaard Shareholders are advised to consult their professional advisers about their personal tax positions.

9. INTENTIONS REGARDING THE CONTINUATION OF THE COMPANY'S BUSINESS AND THE SPANJAARD BOARD

Spanjaard Shareholders are referred to paragraph 20 of Section H of this Circular in this regard.

10. INTEREST AND DEALINGS IN SPANJAARD SHARES

10.1 Interests of Spanjaard Group and Spanjaard Group Directors in Spanjaard Shares

Spanjaard Shareholders are referred to paragraph 8 of Section H of this Circular for information regarding the interests of Spanjaard Group and Spanjaard Group Directors in Spanjaard Shares, as well as their dealings in Spanjaard Shares during the six-month period prior to the Signature Date and during the period from the Signature Date up to the Last Practicable Date.

10.2 Interests of Spanjaard Group Directors in Spanjaard Shares

Spanjaard Shareholders are referred to paragraph 8 of Section H of this Circular for information regarding the interests of Spanjaard Group Directors in Spanjaard Group Shares, as well as their dealings in Spanjaard Group Shares during the six-month period prior to the Signature Date and during the period from the Signature Date up to the Last Practicable Date.

- 10.3 **Interests of Spanjaard and Directors in Spanjaard Group Shares**
Spanjaard Shareholders are referred to paragraph 8 of Section H of this Circular for information regarding the interests of the Company and Spanjaard Directors in Spanjaard Group Securities, as well as their dealings in Spanjaard Group Securities during the six-month period prior to the Signature Date and during the period from the Signature Date up to the Last Practicable Date.
- 10.4 **Interests of Spanjaard Directors in Spanjaard Shares**
Spanjaard Shareholders are referred to paragraph 8 of Section H of this Circular for information regarding the interests of Spanjaard Directors in Spanjaard Shares, as well as their dealings in Spanjaard Shares during the six-month period prior to the Signature Date and during the period from the Signature Date up to the Last Practicable Date.
- 10.5 **Dealings by providers of the Irrevocable Undertakings**
Spanjaard Shareholders are referred to paragraphs 9 and Annexure 8 of this Circular for information regarding the Irrevocable Undertakings to approve the Delisting Resolution, as well as the dealings in Spanjaard Shares by the parties who have given the Irrevocable Undertakings during the six-month period prior to the Signature Date and during the period from the Signature Date up to the Last Practicable Date.

11. AGREEMENTS

- 11.1 Save for the Irrevocable Undertakings, no agreements have been entered into between Spanjaard Group, Spanjaard Group Directors (or persons who were Spanjaard Group Directors in the past 12 months) and/or Spanjaard Group shareholders (or persons who were Spanjaard Group shareholders in the past 12 months) and any of the Company, Spanjaard Directors (or persons who were Spanjaard Directors in the past 12 months) or Spanjaard Shareholders (or persons who were Spanjaard Shareholders in the past 12 months).
- 11.2 Spanjaard Shareholders are referred to paragraph 11 of Section H of this Circular for information on the aforementioned agreements.

12. FINANCIAL INFORMATION OF THE COMPANY

- 12.1 Extracts from the audited historical financial information of the Company for the last three financial years ended 28 February 2021, 29 February 2020 and 28 February 2019 is included in this Circular as Annexure 2. The Unaudited Interim Results for the six months ended 31 August 2021 as published on SENS are set out in Annexure 10.
- 12.2 Dispensation was obtained from the TRP to include extracts from the audited historical annual financial statements and Shareholders can obtain full copies of the financial statements for the past three years on the Spanjaard web address <https://www.spanjaard.biz/financials/>, or copies thereof, will be available for inspection by the Shareholders at the registered offices of Spanjaard and at the offices of the Company's sponsors at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular from the date of posting of this Circular until the end of the Scheme Implementation Date, or in the event that the Standby Offer is implemented, the Standby Offer Implementation Date there-of from the registered office of Spanjaard..

13. REPORT OF THE INDEPENDENT EXPERT

- 13.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and Companies Regulations 90 and 110 is provided in Annexure 1 to this Circular.

- 13.2 Having considered the terms and conditions of the Standby Offer and based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Standby Offer are both fair and reasonable to Spanjaard Shareholders, as each of these terms is contemplated in the Companies Regulations.

14. THE VIEW OF THE INDEPENDENT BOARD ON THE STANDBY OFFER

- 14.1 The Independent Board has appointed the Independent Expert to compile a report on the Standby Offer.
- 14.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Standby Offer and the Standby Offer Consideration as contemplated in Companies Regulation 110(3)(b). The Independent Board has formed a view of the value of the Standby Offer Shares, which accords with the value range of the Standby Offer Shares contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) that were considered by the Independent Expert, and accordingly has not taken any such factors into account in forming its opinion.
- 14.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Standby Offer and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Spanjaard Shareholders and, accordingly, recommend that Spanjaard Shareholders accept the Standby Offer.
- 14.4 The Board has not received any firm intention offers, other than the offer by Spanjaard Group set out in this Circular, within the six months prior to the first of the Cautionary Announcements.

15. SPANJAARD DIRECTORS' SERVICE CONTRACTS

- 15.1 Each of the executive Spanjaard Directors have concluded employment agreements with the Company with terms and conditions that are market-related and not atypical in the circumstances. No service contracts have been concluded between the Company and the non-executive Spanjaard Directors.
- 15.2 All Spanjaard Directors, other than the executive Spanjaard Directors, are subject to retirement by rotation and re-election in terms of the MOI.

17. OTHER SERVICE CONTRACTS

No service contracts have been entered into or amended within the six-month period prior to the Last Practicable Date.

18. TAX IMPLICATIONS FOR SPANJAARD SHAREHOLDERS

The tax position of a Standby Offer Participant under the Standby Offer is dependent on such Standby Offer Participant's individual circumstances, including but not limited to whether it holds the Standby Offer Shares as capital assets or as trading stock, whether the Standby Offer Shares are held by a collective investment scheme or pension fund and on the tax jurisdiction in which the Standby Offer Participant is resident. It is recommended that the Standby Offer Participants seek appropriate advice in this regard.

19. REMUNERATION OF SPANJAARD DIRECTORS

Spanjaard Shareholders are referred to paragraph 10 of Section H of this Circular for information regarding the effect of implementation of the Transaction on the remuneration of Spanjaard Directors.

20. RESPONSIBILITY STATEMENT

The Independent Board and the Spanjaard Board, insofar as any information in this Circular relates to Spanjaard and Spanjaard Group Directors, insofar as any information in this Circular relates to Spanjaard Group:

20.1 have considered all statements of fact and opinion in this Circular;

20.2 collectively and individually, accept full responsibility for the accuracy of the information given;

20.3 certify that, to the best of their knowledge and belief, the information is true and that there are no other facts, the omission of which would make any statement false or misleading;

20.4 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and

20.5 confirm that this Circular contains all information required by the Takeover Regulations.

21. ADVISORS' CONSENTS

The advisors referred to 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, reports, in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

22. COSTS AND EXPENSES

22.1 Subject to paragraphs 22.2 of this Annexure 9, each of the Company and Spanjaard Group shall bear and pay all costs incurred by it in connection with the Standby Offer.

22.2 Spanjaard Group shall be liable for:

22.2.1 any taxes payable in respect of the transfer of the Standby Offer Shares from the Standby Offer Participants to Spanjaard Group pursuant to the Standby Offer in terms of the Securities Transfer Tax Act 25 of 2007; and

22.2.2 costs relating to making the Standby Offer Consideration available to the Standby Offer Participants; and

22.2.3 fees payable to the TRP for approval of this Circular and other documents required for the implementation of the Standby Offer or any exemptions or rulings required from the TRP.

23. DOCUMENTS AVAILABLE FOR INSPECTION

The documents, or copies thereof, listed in paragraph 21 of Section H of this Circular, will be available for inspection by Spanjaard Shareholders at the Company's registered office and at office of the Company's sponsor, from the date of posting of this Circular until the end of the Standby Offer Implementation Date.

UNAUDITED INTERIM RESULTS OF SPANJAARD FOR THE 6 MONTHS ENDED 31 AUGUST 2021

The Unaudited Interim Results for the six months ended 31 August 2021 as published on SENS are set out below:

R'000	Six months to 31 Aug 2021	Six months to 31 Aug 2020
Revenue	69 706	62 326
Cost of sales	(43 157)	(38 562)
Gross profit	26 549	23 764
Other income	249	376
Distribution costs	(7 099)	(5 555)
Administration expenses	(16 809)	(16 058)
Finance costs	(192)	(311)
Profit before tax	2 698	2,216
Taxation	(1 579)	(1 155)
Profit for the period	1 119	1,061
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Movement in foreign currency translation reserve	(48)	156
Total comprehensive income for the period attributable to ordinary shareholders	1 071	1 217
Profit per ordinary share		
- basic and diluted (cents)	13,74	13,03

R'000	As at 31 Aug 2021	As at 28 Feb 2021
ASSETS		
Non-current assets	37 001	34 971
Property, plant and equipment	27 714	27 981
Right of use assets	7 558	5 045
Intangibles	1 292	1 508
Goodwill	437	437
Current assets	62 497	40 531
Inventories	22 846	20 785
Trade receivables and other receivables	20 376	19 092
Cash and cash equivalents	19 275	540
Amounts due by subsidiaries and related companies	-	114
Total assets	99 498	76 203
LIABILITIES		
Non-current liabilities	17 542	7 061
Deferred tax liabilities	5 494	4 851
Borrowings	12 048	2 210
Current liabilities	28 777	16 333
Trade and other payables	15 720	9 686
Bank overdraft	8 566	2 061
Borrowings	2 733	1 334
Employee benefits	1 758	3 252
Total Liabilities	46 319	23 394
Net Assets	53 179	52 108
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Ordinary Shares and premium	6 871	6 871
Reserves	46 308	45 237
Total equity	53 179	52 108
Net asset value per share (cents)	653,06	639,92

R'000	Six months to 31 Aug 2021	Six months to 31 Aug 2020
Cash flows from operating activities		
Cash receipts from customers	68 694	59 134
Cash paid to suppliers and employees	(63 421)	(58 748)
Cash (used in) / from operations	5 273	386
Interest paid	(192)	(311)
Taxation Paid	(441)	(229)
Net cash (used in) / from operating activities	4 640	(154)
Cash flows from investing activities		
Purchases of property, plant and equipment	(650)	(230)
Purchases of intangible assets	(56)	(40)
Proceeds on sale of property, plant and equipment	90	177
Net cash used in investing activities	(616)	(93)
Cash flows from financing activities		
Borrowings raised	8 900	-
Repayment of Lease Liabilities	(906)	(412)
Net cash used in financing activities	7 994	(412)
Net (decrease) / increase in cash and cash equivalents	12 018	-659
Cash and cash equivalents at beginning of period	(1 521)	(3 013)
Effect of exchange rate changes on cash and cash equivalents	212	(106)
Cash and cash equivalents at end of period	10 709	(3 778)

R'000	Six months to 31 Aug 2021	Year ended 28 Feb 2021
Ordinary shares	407	407
Share premium	6 464	6 464
Foreign currency translation reserve	130	178
Opening balance	178	125
Movement for the period	(48)	53
Revaluation reserve	8 805	8 370
Opening balance	8 370	8 396
Movement for the period	435	(26)
Retained earnings	37 373	36 689
Opening balance	36 689	32 060
Total profit for the period	1 119	4 602
Movement for the period	(435)	27
Total shareholders' equity	53 179	52 108

RECONCILIATION OF HEADLINE EARNINGS

R'000	Six months to 31 Aug 2021	Six months to 31 Aug 2020
Profit attributable to shareholders	1 119	1,061
Profit on disposal of property, plant and equipment	(10)	(10)
Income tax effect on disposal	3	3
Headline earnings	1 112	1,054
Weighted average number of ordinary shares in issue ('000)	8 143	8 143
Headline earnings per ordinary share – basic and diluted (cents)	13,65	12,94

DIVIDENDS

	Six months to 31 Aug 2021	Six months to 31 Aug 2020
Dividend declared per ordinary share (cents)		
– interim	-	-

SUPPLEMENTARY INFORMATION

R'000	Six months to 31 Aug 2021	Six months to 31 Aug 2020
Capital expenditure	(3 805)	(739)

Operating Segments

Six months to 31 Aug 2021	Automotive	Industrial	Exports	Consumer goods	Head office, Manufacturing and other	Total
R'000						
Segment sales	16 367	26 483	9 745	17 095	16	69 706
Segment cost of sales	(7 364)	(12 142)	(3 734)	(13 408)	(6 509)	(43 157)
Segment gross profit / (loss)	9 003	14 341	6 011	3 687	-6 493	26 549
Segment other income					249	249
Segment distribution costs	(1 414)	(1 777)	(2 536)	(12)	(1 360)	(7 099)
Segment administrative expenses	(1 724)	(2 179)	(907)	-	(11 999)	(16 809)
Segment finance costs	-	-	-	-	(192)	(192)
Profit / (loss) before tax	5 865	10 385	2 568	3 675	(19 795)	2,698
Taxation	-	-	(40)	-	(1 539)	(1 579)
Profit / (loss) for the period	5 865	10 385	2 528	3 675	(21 334)	1,119
Six months to 31 Aug 2020	Automotive	Industrial	Exports	Consumer goods	Head office, Manufacturing and other	Total
R'000						
Segment sales	18 071	21 091	9 212	13 648	304	62 326
Segment cost of sales	(7 588)	(9 122)	(4 878)	(10 627)	(6 347)	-38 562
Segment gross profit / (loss)	10 483	11 969	4 334	3 021	-6 043	23 764
Segment other income					376	376
Segment distribution costs	(1 261)	(1 277)	(2 001)	-	(1 016)	(5 555)
Segment administrative expenses	(2 331)	(2 052)	(764)	-	(10 911)	(16 058)
Segment finance costs	-	-	-	-	(311)	(311)
Profit / (loss) before tax	6 891	8 640	1 569	3 021	(17 905)	2 216
Taxation	-	-	(80)	-	(1 075)	(1 155)
Profit / (Loss) for the period	6 891	8 640	1 489	3 021	(18 980)	1 061

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the six months ended 31 August 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, and Financial Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listings Requirements.

The condensed consolidated interim financial statements do not include all the disclosures required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements appearing in this announcement are the responsibility of the directors and the directors take full responsibility for the preparation thereof.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 28 February 2021. The condensed consolidated interim financial statements have not been reviewed or audited by the group's auditors.

COMMENTARY

Points of Interest:

- Revenue increased by 12% to R69 706 000 from R62 326 000
- Profit after tax increased to R1 119 000 from a profit of R1 061 000
- NAV increased 2% to 653,06 cents per share

Statement by the Chief Executive Officer: Tracy Spanjaard

At the start of the 2022 Financial Year, the Covid-19 pandemic remained a key cause for concern globally. New variants and rising infections resulted in further lockdowns during the period to curb the spread of the virus. The Covid-19 vaccine rollout commenced over this period in South Africa and has since gained significant traction with the anticipation of alleviating the detrimental social and economic impact of the virus in the coming months.

Over this period the attempted insurrection with mass looting that took place in the Kwazulu-Natal and Gauteng provinces in South Africa, resulted in significant disruptions to businesses. Delays at the ports and the destruction of property impacted the Company's supply chain particularly with regards to customers whose stores were destroyed.

The Group was also significantly affected by the Force Majeure at one of the major refineries in South Africa that was declared in December 2020 and resulted in severe shortages in raw materials, compelling the Group to seek alternative sources of raw materials internationally. Further disruptions to the Company's supply chain were caused by the global shortage of shipping containers and Transnet Port Terminals declaring a Force Majeure due an Information Technology security breach resulting in delays in receiving imported materials.

Despite the significantly challenging economic environment in South Africa as well as the restrictions brought about by the global pandemic, Spanjaard managed to increase Revenue for the period at R69,706 million. Profit after tax improved to R1,119 million from a profit of R1,061 million in the prior period, while Headline Earnings per Share (HEPS) increased to 13.65 cents per share from a Headline Earnings of 12.94 cents per share compared to the same period in the prior year. The Company's Net Asset Value (NAV) increased by 2 percent to 653,06 cents per share.

Factors that contributed to the positive results include: the continuous ability to trade during the current period whereas trading and manufacturing capacity was limited in the prior period due to South Africa's level 5 lockdown regulations. This however was negated by delays in receipt of imports as explained above and the incurring of higher raw material costs due to the refinery shutdown.

The Consumer Goods segment sales showed increased growth over the period which can be attributable to the increase in consumers at home. The Industrial segment sales increased by 25% from the prior period primarily because of being able to trade for the full period whereas in the prior period many Industrial customers were closed during the Country's level 5 lockdown restrictions. Exports sales remained consistent with the prior period. The Automotive segment sales decreased which is largely attributable to customers' premises being vandalised and looted during the period.

The Group has managed to maintain its cash flow position. The Group managed to raise long term financing during the period which will allow for future growth and capital expansion.

The Group continues to strive to grow the business and anticipates revenue to be maintained going forward. During the period, the Group's current warehousing and logistics partner gave the Group notice of termination of contact with effect from 1 September 2021. The Group successfully sourced a new warehouse facility and logistics partner and transitioned its in-sourced warehousing and distribution operation on 31 August 2021.

Spanjaard Limited issued a firm intention announcement on 27 August 2021 whereby its holding Company, Spanjaard Group Limited, expressed its intention to acquire all the shares it does not hold through a Scheme of Arrangement. Spanjaard Limited plans to conclude the transaction during the second half of this financial year.

There have been no business additions or disposals during the period under review.

There have been no new issues of ordinary shares during the period.

On 20 August 2021, Mr TJB Botha was appointed to the Board as a Non-Executive Director.

We remain focused while exercising vigilance in our approach to the business and consistently look to opportunities for future growth. The leadership at Spanjaard is committed to serving customers, shareholders and the industry with excellence, and to ensuring that we continue the strong work inspired by our Founder. As a Board we will remain deeply committed to actively responding to the voice of our shareholders.

Interim Dividend

No interim dividend was declared by the Board for the six months ended 31 August 2021 (31 August 2020: RNil).

By order of the Board

M Notrica (Independent Non-Executive Chairman)

SS Zikalala (Chairman – Audit Committee)

TN Spanjaard (CEO)

30 September 2021

COMPANY INFORMATION

Registration number: 1960/004393/06

Directors: M Notrica* (Independent Non-Executive Chairman), TN Spanjaard (Chief Executive Officer), S Vassan Makan (Financial Director), GF Cort, CKT Palmer, TJB Botha~, HF Kocks*, SS Zikalala*
*Independent Non-Executive
~Non-Executive

Registered office: 748-750 Fifth Street, Wynberg, Sandton, 2090

Company Secretary: Levitt Kirson Business Services (Pty) Ltd, 4th Floor, Aloe Grove, Houghton Estate Office Park, 2 Osborn Road, Houghton, 2198

Transfer Secretaries: Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Bierman Avenue, Rosebank, Johannesburg, 2196

Sponsors: AcaciaCap Advisors Proprietary Limited, 20 Stirrup Lane, Woodmead Office Park, Corner Woodmead Drive and Van Reenens Avenue, Woodmead 2191

E-mail: info@spanjaard.biz

Website: www.spanjaard.biz

- The voting rights otherwise exercisable by Spanjaard Group shall not be taken into account for any purposes in respect of Special Resolution Number 1, Special Resolution Number 2 and Ordinary Resolution Number 1 (i.e. as to whether or not a quorum is present to vote on Special Resolution Number 1 and Ordinary Resolution Number 1 or whether or not the required number of voting rights have been exercised in support of Special Resolution Number 1, Special Resolution Number 2 and Ordinary Resolution Number 1).
- In terms of Companies Regulation 84, a presumption exists that Spanjaard Group Directors are acting in concert with Spanjaard Group in respect of the Scheme. Accordingly, the voting rights otherwise exercisable by any Spanjaard Group Directors and any persons who were Spanjaard Group Directors at the time Spanjaard Group Board resolved to make a firm intention offer to Shareholders and who hold Shares on the Voting Record Date, shall not be taken into account for any purposes in respect of Special Resolution Number 1 or Ordinary Resolution Number 1 (i.e. as to whether or not a quorum is present to vote on Special Resolution Number 1 or Ordinary Resolution Number 1 or whether or not the required number of voting rights have been exercised in support of Special Resolution Number 1 or Ordinary Resolution Number 1).

The date on which Spanjaard Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 22 October 2021.

SPECIAL RESOLUTION NUMBER 1 – Approval of the Scheme in terms of sections 114 and 115 of the Companies Act

“RESOLVED THAT the Scheme of Arrangement in terms of section 114 of the Companies Act (as more fully set out in the Circular and as same may be amended as contemplated in the Circular) proposed by the Spanjaard Board between the Company and the holders of Spanjaard Shares other than Spanjaard Group in terms of which, *inter alia*, if such Scheme of Arrangement becomes operative, Spanjaard Group will acquire, on the terms and subject to the conditions set out in the Circular (as same may be amended as contemplated in the Circular), all the Scheme Shares and each Scheme Participant will receive the Scheme Consideration, pursuant to which scheme of arrangement the Shares will be de-listed from the Main Board of the JSE, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act, 2008, as amended”.

Reason for and effect of Special Resolution Number 1

The reason for and the effect of Special Resolution Number 1 is to obtain Spanjaard Shareholder approval, in terms of section 114 read with section 115 of the Companies Act, for the Scheme proposed by the Spanjaard Board between the Company and the Scheme Participants. Spanjaard Shareholders are referred to the contents of this Circular for more information relating to the reason for and effect of Special Resolution Number 1.

SPECIAL RESOLUTION NUMBER 2 – Revocation of Special Resolution Number 1 if the Scheme terminates or lapses

“RESOLVED THAT, as a special resolution in terms of section 164(9)(c) of the Companies Act, subject to and in the event of (i) the Scheme Resolution being approved at the General Meeting in terms of the Companies Act and (ii) the Company announcing that the Scheme has been terminated or has lapsed as contemplated in terms of the Scheme, Special Resolution Number 1 is revoked with effect from the date of the announcement contemplated in (ii) above, as contemplated in section 164(9)(c) of the Companies Act, and accordingly any Dissenting Shareholder that has sent a demand to the Company in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Spanjaard Shares, shall have no rights to be so paid under section 164 of the Companies Act in that the Scheme did not and shall not become effective.”

Reason for and effect of Special Resolution Number 2

Special Resolution Number 2 is intended to remove the rights to payment of Dissenting Shareholders if the Scheme has been terminated or has lapsed and shall become effective only if: (i) the Scheme Resolution as defined in the Scheme is approved at the General Meeting in terms of the Companies Act; and (ii) the Company announces that the Scheme has been terminated or has lapsed. The effect of Special Resolution Number 2 is to remove any right to payment that a Dissenting Shareholder may have under section 164 of the Companies Act if the Scheme has been terminated or has lapsed.

ORDINARY RESOLUTION NUMBER 1 – Delisting Resolution

“RESOLVED THAT, if the Scheme as proposed in Special Resolution Number 1 fails, in terms of section 115(a) of the Listings Requirements and subject to the Standby Offer becoming unconditional and being implemented, the listing of all the Spanjaard Shares on the Main Board of the JSE be suspended and terminated at such times and such dates as will be approved by the JSE.

Reason and effect of Ordinary Resolution Number 1

The reason for the passing of Ordinary Resolution Number 1 is to approve the Delisting of all the Shares from the Main Board of the JSE in terms of section 1.15(a) of the Listings Requirements, if the Scheme as proposed in Special Resolution Number 1 fails, and the Standby Offer is implemented.

The effect of Ordinary Resolution Number 1 will be that, if the Standby Offer is implemented, the listing of all the Spanjaard Shares on the Main Board of the JSE will be terminated.

ORDINARY RESOLUTION NUMBER 2 – Authority granted to a Director or Company Secretary

“RESOLVED THAT, any one Director or the company secretary of the Company be and is hereby authorised to do all such things and to sign all such documents as may be necessary or desirable for or incidental to the implementation of Special Resolution Number 1, Special Resolution Number 2 and Ordinary Resolution Number 1 (if passed) above.”

Reason for and effect of Ordinary Resolution Number 2

The reason for and effect of Ordinary Resolution Number 2 is that, after the implementation of the Scheme or the Standby Offer, the Spanjaard Shares will be delisted from the JSE and any one Director or the company secretary of the Company is hereby authorised to do all such things and to sign all such documents as may be required to implement the Scheme or the Standby Offer and the delisting of Spanjaard from the Main Board of the JSE.

VOTING AND PROXIES

The date on which Spanjaard Shareholders must be recorded in the Register for purposes of being entitled to attend, speak and vote at the General Meeting, is Friday, 19 November 2021. The last day to trade in order to be entitled to attend, speak and vote at the General Meeting is Tuesday, 16 November 2021.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the General Meeting and must accordingly bring a copy of their identity document, passport or driver’s license to the General Meeting. 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.

On a poll every person present and entitled to vote, either as a Spanjaard Shareholder or as a proxy for a Spanjaard Shareholder, shall have one vote for every Spanjaard Share held by such Spanjaard Shareholder. On a show of hands, every person present at the General Meeting and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of voting rights that person would otherwise be entitled to exercise

A Spanjaard Shareholder entitled to attend, speak 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 Shareholder. For the convenience of Certificated Shareholders and Dematerialised Shareholders with own name registration, a Form of Proxy is attached hereto. Completion of a Form of Proxy will not preclude such Spanjaard Shareholder from attending, speaking and voting (in preference to that Spanjaard Shareholder's proxy) at the General Meeting.

Duly completed Forms of Proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries at the address given below by not later than 48 hours before the commencement of the General Meeting, excluding Saturdays, Sundays and official public holidays, alternatively, such Forms of Proxy may be handed to the Chairperson of the General Meeting immediately prior to the commencement of the General Meeting.

Certificated shareholders and Dematerialised Shareholders with Own-Name Registration may also login to vote electronically at <https://spanjaard.virtual-meetings.online> Please use your shareholder reference number which would have been sent to you by email to access the voting platform. If you have not received your shareholder reference number, please contact the Transfer Secretary 086 11 00 933 or 27 11 370 5000 or email Computershare at proxy@computershare.co.za (Check that the phone details etc. are correct).

Dematerialised Shareholders without own name registration who wish to attend the General Meeting in person should request their CSDP or Broker to provide them with the necessary Letter of Representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Shareholders without own name registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Shareholders without own name registration should contact their CSDP or Broker with regard to the deadline for their voting instructions.

Electronic participation

In accordance with the provisions of section 61(10) of the Companies Act, the Company intends to make provision for Spanjaard Shareholders and their proxies to participate in the General Meeting by way of telephone conference call. Spanjaard Shareholders wishing to do so:

- should contact the company at +2711 386 7100 by no later than 12h00 on Wednesday, 24 November 2021, to obtain a pin number and dial-in details for the conference call.
- will be required to provide reasonably satisfactory identification.
- will be billed separately by their own telephone service providers for the telephone call to participate in the meeting.
- should lodge completed form(s) of proxy in accordance with the attendance and voting instructions detailed above.

Spanjaard Shareholders who vote against the Scheme Resolution(s) and wish to exercise their rights in terms of section 115(3) of the Companies Act, to require the approval of a court for the Scheme, should refer to **Annexure 3** of the Circular to which this Notice is attached which includes an extract of section 115 of the Companies Act.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

Spanjaard Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. Their attention is drawn to the full provisions of that section which are set out in **Annexure 4** to this Circular. The following sets out the salient features only of these Appraisal Rights.

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to Special Resolution Number 1.

Within 10 business days after the Company has adopted Special Resolution Number 1, the Company must send a notice that Special Resolution Number 1 has been adopted to each Spanjaard Shareholder who:

- gave the Company a written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against Special Resolution Number 1.

A Spanjaard Shareholder may, within 20 business days after receiving the Company's aforementioned notice of the adoption of Special Resolution Number 1, demand that the Company pay the Spanjaard Shareholder the fair value for all of the Spanjaard Shares held by that person if:

- the Spanjaard Shareholder has sent the Company a notice of objection;
- the Company has adopted Special Resolution Number 1; and
- the Spanjaard Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

The provisions of section 164 of the Companies Act are set out in Annexure 4 to the Circular.

SIGNED at Johannesburg on behalf of the board of directors of the Company on 29 October 2021

By Order of the Board

Levitt Kirson Business Services (Pty) Limited
Company secretary

Registered Office

Spanjaard Limited
748 – 750 Fifth Street
Wynberg
Sandton
2090
(P.O. Box 7294 Johannesburg 2000)

Transfer secretaries

Computershare Investor Services Proprietary
Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
(Private Bag X3000, Saxonwold, 2132)



SPANJAARD LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1960/004393/06)
Share code: SPA ISIN: ZAE000006938
("Spanjaard" or "the Company")

SPANJAARD GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1962/003015/06)
("Spanjaard Group")

FORM OF PROXY IN RESPECT OF THE GENERAL MEETING OF SPANJAARD SHAREHOLDERS – ONLY FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH "OWN NAME" REGISTRATION

For use by Spanjaard Shareholders at the General Meeting convened in terms of the Companies Act to be held at 12h00 on Friday, 26 November 2021 at the Inanda Club, Forrest Road and Sixth Avenue, Inanda, Johannesburg. or any adjourned or postponed meeting.

The definitions and interpretations in Section G of the circular to which this Form of Proxy is attached ("the Circular") apply mutatis mutandis to this Form of Proxy.

Dematerialised Shareholders without own-name registration must inform their CSDP or Broker of their intention to attend the General Meeting and request their CSDP or Broker to issue them with the necessary letter of representation and/or proxy form to attend the General Meeting in person and vote (or abstain from voting) or provide their CSDP or Broker with their instructions should they not wish to attend the General Meeting in person. Letters of representation must be lodged with the Transfer Secretaries by the commencement of the General Meeting. **DEMATERIALIZED SHAREHOLDERS WITHOUT OWN-NAME REGISTRATION MUST NOT USE THIS FORM OF PROXY.**

I/We (Please **PRINT** names in full)
_____ of (address)

Telephone number: _____
E-mail address: _____
Cell phone number: _____

being the holder(s) of _____ Certified Shares or Dematerialised Shares with "own name" registration

do hereby appoint (see notes 1 and 2):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the Chairperson 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 to vote for and/or against the resolutions and/or abstain from voting in respect of the Spanjaard Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	Number of votes*		
	For	Against	Abstain
Special Resolution Number 1 Approval of Scheme in accordance with sections 114 and 115 of the Companies Act			
Special Resolution Number 2 Revocation of Special Resolution number 1 if the Scheme terminates or lapses			
Ordinary Resolution Number 1 Delisting Resolution			
Ordinary Resolution Number 2 Authority granted to a Director or Company Secretary			

* Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Spanjaard Shares than you own, insert the number of Spanjaard Shares held in respect of which you desire to vote. If no directions are given, the proxy holder will be entitled to vote or to abstain from voting, as that proxy holder deems fit.

Signed at: _____ on _____ 2021

Signature _____

Capacity of signatory (where applicable) _____

Note: Authority of signatory to be attached – see notes 8 and 9.

Assisted by me (where applicable) _____

Full name _____

Capacity _____

Signature _____

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a s) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.
- A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.
- Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.
- Any appointment by a shareholder of a proxy is revocable unless the form of instrument used to appoint such proxy states otherwise.
- If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.
- A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.
- If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.

Notes:

1. Each Spanjaard Shareholder is entitled to appoint 1 (one) or more proxies (none of whom need be a Spanjaard Shareholder to attend, speak and vote in place of that Spanjaard Shareholder at the General Meeting).
2. A Spanjaard Shareholder may insert the name of a proxy or the names of two alternative proxies of the Spanjaard Shareholder's choice in the space/s provided with or without deleting "the Chairperson of the General Meeting" but the Spanjaard Shareholder must initial any such deletion. The person whose name stands 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.
3. A Spanjaard Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Spanjaard Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the Chairperson of the General Meeting if the Chairperson is the authorised proxy, to vote in favour of the Transaction Resolutions, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the Spanjaard Shareholder's votes exercisable at the meeting.
4. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2001 (Private Bag X 9000, Saxonwold, 2132), to be received by them by no later than 48 hours before the commencement of the General Meeting, excluding Saturdays, Sundays and official public holidays alternatively, such Forms of Proxy may be handed to the Chairperson of the General Meeting prior to the commencement of the General Meeting.
5. Dematerialised Shareholders with Own-Name Registration may also login to vote electronically at <https://spanjaard.virtual-meetings.online> Please use your shareholder reference number which would have been sent to you by email to access the voting platform. If you have not received your shareholder reference number, please contact the Transfer Secretary 086 11 00 933 or 27 11 370 5000 or email Computershare at proxy@computershare.co.za (Check that the phone details etc. are correct).
6. The completion and lodging of this Form of Proxy will not preclude the relevant Spanjaard 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 Spanjaard Shareholder wish to do so.
7. The Chairperson of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of Spanjaard.
8. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Spanjaard or the Transfer Secretaries.
10. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered by Spanjaard or the Transfer Secretaries or waived by the Chairperson of the General Meeting.
11. Where Spanjaard Shares are held jointly, all joint holders are required to sign this Form of Proxy.
12. A minor Spanjaard Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Spanjaard or the Transfer Secretaries.
13. Dematerialised Spanjaard Shareholders who do not own Spanjaard Shares in "own name" Dematerialised form and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the Spanjaard Shareholder and his/her CSDP or Broker.

14. This Form of Proxy shall be valid at any resumption of an adjourned meeting or at a postponed meeting to which it relates although this Form of Proxy shall not be used at the resumption of an adjourned meeting or at a postponed meeting if it could not have been used at the General Meeting for any reason other than it was not lodged timeously for the meeting from which the adjournment or postponement took place. This Form of Proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
15. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Spanjaard Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting or postponed meeting at which the proxy is used.
16. Any proxy appointed pursuant to this Form of Proxy may not delegate her or his authority to act on behalf of the relevant Spanjaard Shareholder.
17. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting.

**SPANJAARD LIMITED**

(Incorporated in the Republic of South Africa)
(Registration number 1960/004393/06)
Share code: SPA ISIN: ZAE000006938
("Spanjaard" or "the Company")

SPANJAARD GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1962/003015/06)
("Spanjaard Group")

FORM OF SURRENDER AND TRANSFER FOR USE BY CERTIFICATED SCHEME PARTICIPANTS IN RELATION TO THE SCHEME

The definitions and interpretations in Section G of the circular to which this Form of Surrender and Transfer is attached apply, unless the context clearly indicates otherwise, to this Form of Surrender and Transfer.

INSTRUCTIONS: HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM OF SURRENDER AND TRANSFER

1. The Form of Surrender and Transfer is for use only by Certificated Shareholders recorded in the Register on the Scheme Record Date.
2. A separate Form of Surrender and Transfer is required for each Certificated Shareholder.
3. Part A must be completed by all Certificated Shareholders who return this form.
4. Part B:
 - 4.1 Section 1 must be completed by all Certificated Shareholders who are emigrants from the Common Monetary Area.
 - 4.2 Section 2 must be completed by all other Certificated Shareholders who are non-residents of the Common Monetary Area (and who are not required to complete Section 1 of this Part B).
5. Part C must be completed by all Certificated Shareholders who wish to receive the Offer Consideration by way of EFT.
6. If this Form of Surrender and Transfer is returned with the relevant Documents of Title, it will be treated as a conditional surrender which is made subject to the Scheme becoming unconditional and operative, the details of which are set out in the circular to which this form is attached and forms part of. In the event of the Scheme not becoming unconditional and operative for any reason whatsoever, the Transfer Secretaries will, by not later than 5 (five) Business Days after the date upon which it becomes known that the Scheme will not be operative, return the Documents of Title to the relevant Certificated Shareholders concerned, by registered mail, at the risk of such Certificated Shareholders.
7. Persons who have acquired Spanjaard Shares after the date of the issue of the circular to which this Form of Surrender and Transfer is attached can obtain copies of the Form of Surrender and Transfer and such circular from the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X3000, 2132)

8. The Scheme Consideration will not be paid to Certificated Shareholders recorded in the Register on the Scheme Record Date unless and until Documents of Title in respect of the relevant Scheme Shares have been surrendered to the Transfer Secretaries.

To: **Computershare Investor Services Proprietary Limited**

(Registration number 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, Johannesburg

2196 South Africa

(Private Bag X3000, Saxonwold, 2132, South Africa)

Dear Sirs

PART A: To be completed by ALL SCHEME PARTICIPANTS HOLDING CERTIFICATED SHARES who are recorded in the Register on the Scheme Record Date and who return this form

I/We hereby surrender the share certificate(s) and/or other Documents of Title attached hereto, representing Spanjaard Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the Scheme becoming unconditional and operative, to register the transfer of these Spanjaard Shares into the name of Spanjaard Group upon payment of the Scheme Consideration:		
Name of registered holder (separate form for each holder)	Certificate Number(s)	Number of Spanjaard Shares covered by each certificate(s) enclosed
Total:		

Surname or name of corporate body
First names (in full)
Title (Mr, Mrs, Miss, Ms, etc)
Address to which the Scheme Consideration should be sent (if different from registered address):
Postal Code

Signature of Certificated Shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	
Telephone number (Work)	
Cell phone number	

PART B:

1. To be completed by emigrants from the Common Monetary Area.

Nominated Authorised Dealer in the case of a Scheme Participant that holds Spanjaard Shares who is an emigrant from the Common Monetary Area (see note 2 below):

Name of dealer:
Account number:
Address of dealer:

2. To be completed only by all other non-resident Certificated Shareholders.

EFT payment will be made in terms of written instructions below.

Name of dealer
Account number
Address of dealer
Substitute address in South Africa

PART C:

To be completed by all Scheme Participants holding Certificated Shares wishing to receive payment of the Scheme Consideration by EFT

Name of Certificated Shareholder
Name of bank
Branch and branch code
Account number
Contact person
Contact telephone number ()

In terms of the Financial Intelligence Centre Act 38 of 2001 requirements, the Transfer Secretaries will only be able to record any changes in address or payment mandate if the undermentioned documentation is received from the relevant Spanjaard Shareholder:

- an original certified copy of an identity document (in respect of change of address and payment mandate);
- an original certified copy of an original bank statement (in respect of payment mandate);
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths (in respect of change of address and payment mandate); and
- an original or an original certified copy of a service bill to verify your residential address (in respect of a change of address mandate).

Payment to Spanjaard Shareholders that do not have an existing mandate with the Transfer Secretaries or who do not provide the Transfer Secretaries with the abovementioned documents will not be able to be paid until bank account details are provided.

Instructions:

1. No receipts will be issued for documents lodged unless specifically requested. In compliance with

the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form of Surrender and Transfer.

2. Persons who are emigrants from the Common Monetary Area (comprising the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland) should nominate the Authorised Dealer in the Republic of South Africa which has control of their blocked assets in Part B of this Form of Surrender and Transfer. Failing such nomination, the Scheme Consideration due to such Certificated Shareholders in accordance with the provisions of the Scheme will be held by Spanjaard, pending instructions from the Certificated Shareholder concerned.
3. Any alteration to this Form of Surrender and Transfer must be signed in full and not merely initialled.
4. If this Form of Surrender and Transfer is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Spanjaard or its Transfer Secretaries at an earlier stage).
5. Where the Certificated Shareholder is a company or a close corporation, unless it has already been registered with Spanjaard or its Transfer Secretaries at an earlier stage, a certified copy of the directors' or members' resolution authorising the signing of this Form of Surrender and Transfer must be submitted if so requested by Spanjaard.
6. Instruction 4 above does not apply in the event of this form bearing a Broker's stamp. If this Form of Surrender and Transfer is not signed by the Certificated Shareholder, the Certificated Shareholder will be deemed to have irrevocably appointed the Transfer Secretaries of Spanjaard to implement the Certificated Shareholder's obligations under the Scheme on his/her behalf.
7. Where there are any joint holders of any Certificated Shares, only the holder whose name appears first in the Register in respect of such Certificated Shares, needs to sign this Form of Surrender and Transfer.
8. 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 at an earlier stage.



SPANJAARD LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1960/004393/06)
 Share code: SPA ISIN: ZAE000006938
 (“Spanjaard” or “the Company”)

SPANJAARD GROUP LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1962/003015/06)
 (“Spanjaard Group”)

STANDBY OFFER FORM: FORM OF SURRENDER, TRANSFER AND ACCEPTANCE (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

The definitions and interpretations in Section G of the circular to which this Standby Offer Form is attached apply, unless the context clearly indicates otherwise, to this Standby Offer Form.

To: The Transfer Secretaries

Hand deliveries to:	Postal deliveries to:
Computershare Investor Services Proprietary Limited	Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue	Private Bag X3000
Rosebank, 2196	Saxonwold, 2132

This form should be read in conjunction with the circular to which this form is attached.

Instructions:

1. A separate Standby Offer Form is required for each Spanjaard Shareholder. Spanjaard Shareholders must complete this Standby Offer Form in BLOCK CAPITALS.
2. **Part A** must be completed by all Certificated Shareholders who wish to accept the Standby Offer.
3. **Part B** must be completed by Certificated Shareholders who wish to receive the Standby Offer Consideration by EFT.
4. **Part C** must be completed by all Certificated Shareholders who wish to accept the Standby Offer and who are emigrants from the Common Monetary Area (see note 2).
5. **Part D** must be completed by all Certificated Shareholders who wish to accept the Standby Offer and who are non-residents of the Common Monetary Area or who are emigrants from the Common Monetary Area whose Spanjaard Shares have been released and wish for the Standby Offer Consideration to be paid to an authorised dealer.
6. No receipts will be issued for Documents of Title lodged unless specifically requested. Lodging agents are requested to prepare special transaction receipts, if required.
7. Please also read notes contained in this form.

Dear Sirs

I/We hereby accept the Standby Offer and surrender and enclose the share certificates and Documents of Title in respect of my/our holdings of Spanjaard Shares, as per my/our instructions contained herein:

PART A – TO BE COMPLETED BY ALL CERTIFICATED SHAREHOLDERS WHO RETURN THIS FORM.

I/We hereby accept the Standby Offer in respect of _____ Certificated Shares, which represent all the Spanjaard Shares held by me/us.

Surname or Name of corporate body _____

First names (in full) _____

Title (Mr, Mrs, Miss, Ms, etc) _____

Address to which the Standby Offer Consideration, which a Certificated Shareholder is entitled to in terms of the Standby Offer, should be sent (if different from registered address) _____

_____ Postal code _____

Country _____

Telephone () _____

Cellular telephone number _____

Email address _____

Fax number () _____

Please note: In order to comply with the requirements of the Financial Intelligence Centre Act 38 of 2001) requirements, the Transfer Secretaries will only be able to record any changes in address or payment mandate if the undermentioned documentation is received from the relevant Spanjaard Shareholder:

- an original certified copy of an identity document (in respect of change of address and payment mandate);
- an original certified copy of an original bank statement (in respect of payment mandate);
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths (in respect of change of address and payment mandate); and
- an original or an original certified copy of a service bill to verify your residential address (in respect of a change of address mandate).

I/WE HEREBY SURRENDER THE ENCLOSED SHARE CERTIFICATE/S, CERTIFIED TRANSFER DEED/S AND/OR OTHER DOCUMENTS OF TITLE, DETAILS OF WHICH HAVE BEEN COMPLETED BELOW.

Share certificate/s and/or other Document(s) of Title to be surrendered (as enclosed)

Name of registered holder (separate form for each holder)	Certificate Number(s) (in numerical order)	Number of Spanjaard Shares covered by each certificate(s)
Total:		

Signature of Certificated Shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	
Telephone number (Work)	
Cell phone number	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

I/We hereby certify that:

- I/We own the Spanjaard Shares issued by Spanjaard as detailed in the table set out above at the end of Part A (defined for purposes of this Part B as the "Shares");
- I/We do not own any other Spanjaard Shares apart from the Shares;
- the Shares are fully paid-up;
- the Shares are in registered form;
- I/We am/are the legal owner solely entitled to the Shares and have the power to dispose of the Shares;
- there are no pre-emption rights nor any other right by virtue of which any person or entity may be entitled to demand that one or more of the Shares be transferred to him;
- none of the Shares are encumbered with any pledge or usufruct, there are no right to acquire any pledge or usufruct of the Shares and none of the Shares are subject of any attachment; and
- the Shares are freely transferable.

PART B – TO BE COMPLETED IN BLOCK CAPITALS BY SPANJAARD SHAREHOLDERS WISHING TO RECEIVE PAYMENT OF THE STANDBY OFFER CONSIDERATION BY EFT

In order to comply with the requirements of the Financial Intelligence Centre Act 38 of 2001, the Transfer Secretaries will not be able to record any change of address mandated unless the following documentation is received from the relevant Spanjaard Shareholder:

- a certified true copy of ID; and
- a certified true copy of bank statement.

I/We, being a holder/s of Standby Offer Shares hereby request that the Standby Offer Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third-party accounts):	
Bank name:	
Branch name:	
Branch code:	
Account number:	
Swift number:	
IBAN number:	
Signature of Shareholder:	
Assisted by me (if applicable):	
(State full name and capacity):	
Date:	
Telephone number: (Home): (xxx)	
Telephone Number (Work): (xxx)	
Telephone Number (Cell phone): (xxx)	

PART C – TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA AND WHOSE SHARES HAVE NOT BEEN RELEASED

The Standby Offer Consideration due to Certificated Shareholders who are emigrants from the Common Monetary Area and whose Spanjaard Shares have not been released will be forwarded to the authorised dealer controlling his blocked assets and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from the Common Monetary Area must provide the following information:

Name of Authorised Dealer in South Africa:	
Address:	
Account Number:	
Branch code:	

If no nomination is made above, the Standby Offer Consideration will be held in trust by Spanjaard until a written instruction is received as to the disposal of such amount

PART D – TO BE COMPLETED IN BLOCK CAPITALS BY CERTIFICATED SHAREHOLDERS WHO ARE NON-RESIDENTS OF THE COMMON MONETARY AREA OR EMIGRANTS FROM THE COMMON MONETARY AREA WHOSE SPANJAARD SHARES HAVE BEEN RELEASED AND WHO WISH TO HAVE THE STANDBY OFFER CONSIDERATION PAID TO AN AUTHORISED DEALER

The Standby Offer Consideration due to Certificated Shareholders who have registered addresses outside South Africa (other than Certificated Shareholders who are emigrants from the Common Monetary Area and whose Spanjaard Shares have not been released) and whose share certificates are endorsed "non-resident" will not be paid, unless that Certificated Shareholder nominates an authorised dealer to which such Standby Offer Consideration should be paid.

Name of Authorised Dealer in South Africa or alternative instructions:	
Address:	
Account Number:	

Notes:

1. Emigrants of the Common Monetary Area must, in addition to Part A, also complete Part C. If Part C is not properly completed, the Standby Offer Consideration will be held in trust by the Company or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be made over to the Guardians Fund of the High Court. No interest will accrue or be paid on any Standby Offer Consideration so held in trust.
2. All other non-residents of the Common Monetary Area must complete Part D if they wish the Standby Offer Consideration to be to be paid to an authorised dealer in South Africa.
3. The Standby Offer Consideration will not be sent to Spanjaard Shareholders unless and until Documents of Title in respect of the relevant Spanjaard Shares have been surrendered to the Transfer Secretaries.
4. If a Certificated Shareholder produces evidence to the satisfaction of Spanjaard that Documents of Title in respect of Spanjaard Shares have been lost or destroyed, Spanjaard Shares may waive the surrender of such Documents of Title against delivery of a duly executed indemnity (including against any damage, expense, loss or payment that Spanjaard Group, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the Standby Offer Consideration to such person) in a form and on terms and conditions approved by Spanjaard and Spanjaard Group, or may in their discretion waive such indemnity.
5. If this Standby Offer Form is not signed by the Certificated Shareholder, the Certificated Shareholder will be deemed to have irrevocably appointed the company secretary of Spanjaard to implement that Certificated Shareholder's obligations under the Standby Offer, as the case may be, on his/her behalf.
6. Persons who have acquired Spanjaard Shares after the date of posting of this Circular to which this Standby Offer Form is attached, can obtain copies of this Standby Offer Form and this Circular from the Company's registered office at 748 – 750 Fifth Street, Wynberg, Sandton, 2090 and from the Transfer Secretaries at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (Private Bag X3000, Saxonwold, 2132).
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this Standby Offer Form.
8. Any alteration to this Standby Offer Form must be signed in full and should not be merely initialled.
9. If this Standby Offer Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this Standby Offer Form for noting (unless it has already been noted by Spanjaard or the Transfer Secretaries).
10. Where the Certificated Shareholder is a company or a close corporation, unless it has already been registered with Spanjaard or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Standby Offer Form must be submitted if so requested by Spanjaard.
11. Note 10 does not apply in the case of a form bearing a Broker's stamp.
12. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Company or Transfer Secretaries.
13. Where Spanjaard Shares are held jointly, all joint holders are required to sign this Standby Offer Form.