

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

NOTHING IN THIS CIRCULAR CONSTITUTES OR FORMS PART OF ANY OFFER TO SELL OR SOLICITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR ANY SECURITIES OF ARC INVESTMENTS IN ANY JURISDICTION, NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS OR PROSPECTUS EQUIVALENT.

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this entire Circular, including its annexures, the Notice of General Meeting and Form of Proxy attached to it, unless specifically defined otherwise, or the context indicates a contrary intention.

If you are in any doubt as to the action you should take in respect of this Circular, please consult your CSDP, Broker, legal adviser, accountant, banker, other financial intermediary or other professional adviser immediately.

If you have disposed of all of your Shares, then this Circular, together with the accompanying Notice of General Meeting and Form of Proxy, should be forwarded to the purchaser of such Shares or to the CSDP, Broker, banker or other financial intermediary through whom such disposal was effected.

ARC Investments does not accept any responsibility, and will not be held liable, for any action of, or omission by, any CSDP, Broker, legal adviser, accountant, banker, other financial intermediary or other professional adviser including, without limitation, any failure on the part of any CSDP, Broker, legal adviser, accountant, banker, other financial intermediary or other professional adviser of any beneficial owner of Shares to notify such beneficial owner of the matters dealt with in this Circular or to take any action on behalf of such beneficial owner.



CIRCULAR TO SHAREHOLDERS

relating to:

- the proposed changes to the Management Fees payable to the General Partner pursuant to the Service Agreement, the changes to which constitute a related party transaction in terms of Section 10 of the JSE Listings Requirements, which Shareholders will be requested to consider, and if deemed appropriate, approve for purposes of section 10 of the JSE Listings Requirements; and
- the proposed changes to the Performance Participation of the General Partner as contained in the terms of the C Shares, which Shareholders will be requested to consider, and if deemed, appropriate approve under the requirements of the Mauritian Companies Act and the Constitution;

and enclosing:

- a Notice of General Meeting; and
- a Form of Proxy in respect of the General Meeting (for use by Certificated Shareholders and "own-name" Dematerialised Shareholders only).

Transaction Sponsor

Deloitte.

South African Legal Counsel

WEBBER WENTZEL
in alliance with > **Linklaters**

Mauritian Legal Counsel

BLC ROBERT ALN

Independent Reporting Accountant

pwc

Independent Expert

BDO

Date of issue: Tuesday, 18 October 2022

This Circular is only available in English. Copies may be obtained from the registered office of ARC Investments or at the office of the General Partner during office hours on Business Days from Tuesday, 18 October 2022 until Monday, 14 November 2022, at the addresses set out in "Part III - Corporate information and advisers". An electronic copy of this Circular will also be available on ARC Investments' website at www.arci.mu and can be made available through a secure electronic manner at the election of the person requesting inspection.

TABLE OF CONTENTS

IMPORTANT LEGAL NOTICES AND DISCLAIMERS.....	3
CORPORATE INFORMATION AND ADVISERS	4
ACTION REQUIRED BY SHAREHOLDERS.....	5
IMPORTANT INDICATIVE DATES AND TIMES	7
DEFINITIONS AND INTERPRETATION	8
CIRCULAR TO SHAREHOLDERS.....	11
1. PURPOSE OF THIS CIRCULAR.....	11
2. OVERVIEW OF THE ARC GROUP.....	11
3. BACKGROUND TO THE PROPOSED AMENDMENTS.....	11
4. RELATED PARTY TRANSACTION EFFECTS OF THE PROPOSED AMENDMENTS AND AMENDMENTS TO THE CONSTITUTION.....	13
5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED AMENDMENTS.....	14
6. MAJOR SHAREHOLDERS AND INTERESTS OF DIRECTORS AND THEIR ASSOCIATES.....	15
7. MATERIAL CONTRACTS	16
8. MATERIAL CHANGE IN RESPECT OF ARC INVESTMENTS.....	16
9. MATERIAL LITIGATION	16
10. EXPENSES RELATING TO THE TRANSACTION	16
11. REPORT OF THE INDEPENDENT EXPERT	16
12. DIRECTORS' RESPONSIBILITY STATEMENT AND RECOMMENDATION.....	16
13. CONSENTS.....	17
14. DOCUMENTS AVAILABLE FOR INSPECTION.....	17
Annexe A CORPORATE STRUCTURE OF THE ARC GROUP.....	18
Annexe B <i>PRO FORMA</i> FINANCIAL INFORMATION	19
Annexe C INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF <i>PRO FORMA</i> FINANCIAL INFORMATION.....	21
Annexe D REPORT OF THE INDEPENDENT EXPERT.....	23
Annexe E AMENDMENTS TO THE PARTNERSHIP AGREEMENT	28
Annexe F AMENDMENTS TO THE INVESTMENT SERVICES AGREEMENT.....	31
Annexe G AMENDED TERMS OF THE C SHARES.....	32

IMPORTANT LEGAL NOTICES AND DISCLAIMERS

The definitions and interpretations commencing on page 8 of this Transaction Circular apply, *mutatis mutandis*, to this “Important legal notices and disclaimers” (unless the context indicates otherwise).

DISCLAIMER

Shareholders are advised to read this Circular carefully and in its entirety.

This Circular is not an invitation to the public to subscribe for Shares, but is issued in compliance with the JSE Listings Requirements for the purpose of giving information to the public regarding ARC Investments and to convene a general meeting of Shareholders to consider and, if deemed fit, approve the Related Party Transaction and the Proposed Amendments.

ARC Investments does not accept any responsibility, and will not be held liable, for any action of, or omission by, any CSDP, Broker, legal adviser, accountant, banker, other financial intermediary or other professional adviser including, without limitation, any failure on the part of any CSDP, Broker, legal adviser, accountant, banker, other financial intermediary or other professional adviser of any beneficial owner of Shares to notify such beneficial owner of the matters dealt with in this Circular or to take any action on behalf of such beneficial owner.

References in this Circular to information on websites (and/or social media sites) are included as an aid to their location and such information, unless specified, is not incorporated in, and does not form part of, this Circular.

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

Any adviser of ARC Investments is acting exclusively for ARC Investments and no one else in connection with the Proposed Amendments. No adviser will regard any other person as its client in relation to the contents of this Circular and will not be responsible to anyone other than ARC Investments for providing the protections afforded to its client nor for giving advice in relation to the contents of this Circular or any other transaction or arrangement referred to in this Circular.

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

FORWARD-LOOKING STATEMENTS

This Circular includes certain “forward-looking statements” that reflect the current views or expectations of the Directors with respect to future events and future financial and operational performance.

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: the economic outlook for the industries in which ARC Investments invests; ARC Investments’ ability to implement its strategy; the competitive environments in which ARC Investments invests; trends in the industries and markets in which ARC Investments operates; future operating results, growth prospects and outlook for the investments of ARC Investments, individually or in the aggregate; and ARC Investments’ liquidity and available resources and expenditure. Such forward-looking statements generally reflect ARC Investments’ current plans, estimates, projections and 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. Similarly, statements that describe ARC Investments’ objectives, plans or goals are or may be forward-looking statements.

Although the Directors believe that the expectations reflected in these and other forward-looking statements are reasonable, no assurances can be given that such expectations will materialise or prove to be correct. These forward-looking statements are based on various estimates and/or assumptions subject to known and unknown risks, uncertainties and other factors that may cause future events or ARC Investments’ actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Consequently, Shareholders are cautioned not to place undue reliance on any forward-looking statements.

Shareholders should review all information included in this Circular carefully. The forward-looking statements included in this Circular are made only as of the date of this Circular. ARC Investments undertakes no obligation to update these statements or to update these publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the Last Practicable Date or to reflect the occurrence of future events, other than as required by applicable laws or regulations. All subsequent written and oral forward-looking statements attributable to ARC Investments or any person acting on its behalf are qualified by the cautionary statements above.

Any forward looking statements have not been reviewed nor reported on by the Company’s external auditors.

PRESENTATION OF NUMERICAL INFORMATION

Certain numerical information presented in this Circular, including in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. Therefore, when presented in a table, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this Circular reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

CORPORATE INFORMATION AND ADVISERS

Directors

Independent non-executive Directors

Mark Cyril Olivier (Chairperson)*

Clive Msipha ***

Dr Renosi Mokate **

Smitha Algoo-Bissonauth *

Anil Currimjee *

* Mauritian

** South African

*** Zimbabwean

Company secretary

Intercontinental Trust Limited

Level 3, Alexander House

35 Cybercity

Ebene 72201

Mauritius

(Company number: C23546)

General Partner

UBI General Partner Proprietary Limited

6th Floor, Bowmans Building

11 Alice Lane

Sandton

2196

(PO Box 4115420, Craighall, 2024)

South Africa

(Registration number: 2016/224437/07)

Transaction sponsor

Deloitte & Touche Sponsor Services Proprietary Limited

(Registration number: 1996/000034/07)

5 Magwa Crescent

Waterfall Crescent

Waterfall

2090

(Private Bag X6, Gallo Manor, 2052)

South Africa

Legal advisor as to South African law

Webber Wentzel

(Registration number: M2001004762)

90 Rivonia Road

Sandton

2196

(PO Box 61771, Marshalltown, 2107)

South Africa

Independent reporting accountant

PricewaterhouseCoopers Inc.

4 Lisbon Lane

Waterfall City

Jukskei View

Midrand

2090

(Private Bag X36, Sunninghill, 2157)

South Africa

(Registration number: 1998/012055/21)

Non-executive Director

Refiloe Nkadimeng **

Registered office

Level 3, Alexander House

35 Cybercity

Ebene 72201

Mauritius

Transfer Secretaries

Computershare Investor Services Proprietary Limited

Rosebank Towers

15 Biermann Avenue

Rosebank

Johannesburg

2196

(Private Bag X9000, Saxonwold, 2132)

South Africa

(Registration number: 2004/003647/07)

Legal advisor as to Mauritian law

BLC Robert & Associates

2nd Floor, The Axis

26 Bank Street

Cybercity, Ebene

72201

Mauritius

Independent Expert

BDO Corporate Finance Proprietary Limited

Wanderers office Park

52 Corlett Drive

Illovo

2196

(Private Bag X60500, Houghton, Gauteng, 2041)

South Africa

(Registration number: 1983/002903/07)

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to “Action required by Shareholders” (unless the context indicates otherwise).

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the actions required of Shareholders. If you are in any doubt as to the action you should take, please consult your CSDP, Broker, legal adviser, accountant, banker, other financial intermediary or other professional adviser immediately.

If you have disposed of all of your Shares then this Circular, together with the accompanying Notice of General Meeting and Form of Proxy, should be forwarded to the purchaser of such Shares or to the CSDP, Broker, banker or other financial intermediary through whom such disposal was effected.

1. GENERAL MEETING

A General Meeting will be held virtually on Tuesday, 15 November 2022, immediately following the Fifth Annual General Meeting of ARC Investments commencing at 13:00 South African time (15:00 Mauritian time) on Tuesday, 15 November 2022, for the purposes of considering, and if deemed fit, passing with or without modification, the Resolutions to implement the Proposed Amendments.

The Notice of General Meeting is attached to, and forms part of, this Circular.

In order to have the right to attend, participate and vote at the General Meeting, a person must be entered on the Register by 17:00 South African time (19:00 Mauritian time) on Friday, 4 November 2022.

Forms of Proxy lodged are to be received by no later than 13:00 South African time (15:00 Mauritian time) on Friday, 11 November 2022, or such later date if the General Meeting is postponed to allow for processing of such proxies. All other proxies must be submitted to proxy@computershare.co.za prior to exercising any right of the Shareholder at the General Meeting. Although voting will be permitted by way of electronic communication at the General Meeting, Shareholders are encouraged to make use of proxies for purposes of voting at the General Meeting in accordance with the instructions contained in the Form of Proxy.

Shareholders should carefully read the entire Circular and decide if they wish to vote on the Resolutions to be proposed at the General Meeting.

2. DEMATERIALIZED SHAREHOLDERS WITHOUT “OWN-NAME” REGISTRATION

2.1 Attendance and representation at the General Meeting

In accordance with the mandate between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to attend, speak and vote at the General Meeting. If so, your CSDP or Broker will issue the necessary letter of representation to you to attend the General Meeting.

2.2 Voting at the General Meeting

Your CSDP or Broker should contact you to ascertain how you wish to cast your vote at the General Meeting and shall thereafter cast your vote in accordance with your instructions, should you not wish to attend or are unable to attend the General Meeting yourself but you wish to vote thereat.

If you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker and to furnish them with your voting instructions.

If your CSDP or Broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or Broker.

You must NOT complete the attached Form of Proxy.

3. DEMATERIALIZED SHAREHOLDERS WITH “OWN-NAME” REGISTRATION

3.1 Voting, attendance and representation at the General Meeting

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

Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in relation to the General Meeting in accordance with the instructions it contains. It is requested that, for administration purposes, the Form of Proxy be returned to the registered office of the Transfer Secretaries to be received by no later than 13:00 South African time (15:00 Mauritian time) on Friday, 11 November 2022. The Form of Proxy may, however, be emailed to the chairperson of the General Meeting at proxy@computershare.co.za or, in the case of in-person participation, handed to the chairperson of the General Meeting, at any time before the commencement of the voting at the General Meeting.

ACTION REQUIRED BY SHAREHOLDERS

4. CERTIFICATED SHAREHOLDERS

4.1 Voting, attendance and representation at the General Meeting

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

Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in relation to the General Meeting in accordance with the instructions it contains. It is requested that, for administrative purposes, the Form of Proxy be returned to the registered office of the Transfer Secretaries to be received by no later than 13:00 South African time (15:00 Mauritian time) on Friday, 11 November 2022. The Form of Proxy may, however, be emailed to the chairperson of the General Meeting at proxy@computershare.co.za or, in the case of in-person participation, handed to the chairperson of the General Meeting, at any time before the commencement of the voting at the General Meeting.

If you wish to Dematerialise your Shares, please contact your CSDP or Broker.

Under Strate directives, Dematerialised Shareholders are required to elect to receive direct communication in the future, which includes, but is not limited to, the receipt of Shareholder communication documentation. Such election will facilitate the direct communication by ARC Investments to the Shareholders. Shareholders who are currently Certificated Shareholders and will be Dematerialised are encouraged to make such election.

5. ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

The General Meeting will be held virtually in accordance with the Fifth Schedule of the Mauritian Companies Act and the JSE Listings Requirements.

ARC Investments has appointed the Transfer Secretaries for purposes of hosting the General Meeting entirely by way of electronic communication and, in particular, for the Transfer Secretaries to provide ARC Investments and the Shareholders with access to its meeting platform for purposes of enabling all of the Shareholders, that are present at the General Meeting, to communicate concurrently with each other, without an intermediary, and to participate reasonably effectively in the General Meeting and exercise their voting rights at the General Meeting. Accordingly, references in this Circular to "attend", "participate", "present" or similar words when used in the context of the General Meeting means being able to attend or be present or participate by means of electronic participation.

None of ARC Investments, the Transfer Secretaries or any third-party service provider appointed in order to facilitate the General Meeting by electronic means can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the General Meeting.

Although voting will be permitted by way of electronic communication at the General Meeting, Shareholders are encouraged to make use of proxies for purposes of voting at the General Meeting in accordance with the instructions contained in the Form of Proxy.

Any Shareholders or proxy who intends to attend or participate in the General Meeting must present reasonably satisfactory identification prior to the General Meeting for such Shareholder or proxy to be entitled to attend and participate in the General Meeting. An identification document or identification card issued by the Shareholders' country of residence's Department of Home Affairs or similar governmental authority, a valid driver's licence or a valid passport will be acceptable forms of identification for participation in the General Meeting. The Transfer Secretaries has been appointed to verify the identity of any Shareholder or its proxy that wishes to attend and vote at the General Meeting and access to the meeting platform will only be granted once the verification process in respect of a Shareholder or proxy has been completed satisfactorily.

Additional information in respect of the General Meeting and the participation therein is contained in the Notice of General Meeting and the Form of Proxy.

ARC Investments does 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 Shareholder to notify the holder of any beneficial interest in those Shares of the General Meeting or any other matter set out in this Circular.

IMPORTANT INDICATIVE DATES AND TIMES

The definitions and interpretations commencing on page 8 of this Transaction Circular apply, *mutatis mutandis*, to this "Part VI - Important indicative dates and times in relation to the Transaction" (unless the context indicates otherwise).

Record date to determine which Shareholders are eligible to receive this Circular	Friday, 7 October 2022
Circular posted to Shareholders and availability of Notice of General Meeting and Form of Proxy published on SENS, A2X News Service and on ARC Investments' website on	Tuesday, 18 October 2022
Last day to trade in Shares in order to be recorded in the Register to attend, participate in and vote at the General Meeting (" Voting Last Day to Trade "), by the close of trade on	Tuesday, 1 November 2022
Record date for Shareholders to be recorded in the Register in order to be eligible to attend, participate in and vote at the General Meeting, being the " Voting Record Date ", by close of trade on	Friday, 4 November 2022
Last day and time to lodge Forms of Proxy with the Transfer Secretaries by 13:00 South African time on (<i>refer to note 2 below</i>)	Friday, 11 November 2022
Forms of Proxy not lodged with the Transfer Secretaries to be emailed to the chairperson of the General Meeting at any time before the proxy exercises any rights of the Shareholder at the General Meeting at 13:00 South African time on	Tuesday, 15 November 2022
General Meeting to be held immediately following the 5 th Annual General Meeting commencing at 13:00 South African time (15:00 Mauritian time)	Tuesday, 15 November 2022
Results of the General Meeting released on SENS and A2X News Service on or about	Tuesday, 15 November 2022

Notes:

- All of the above dates and times are subject to amendment, subject to the approval of the JSE, if required. Any such amendment will be released on SENS and A2X News Service.
- A Shareholder may submit a Form of Proxy at any time before the commencement of the General Meeting (or any adjournment or postponement of the General Meeting) or email it to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment or postponement of the General Meeting), provided that should a Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours prior to the commencement of the General Meeting, the Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or adjourned or postponed General Meeting).
- 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.
- There will be no rematerialisation or Dematerialisation between Wednesday, 2 November 2022 and Friday, 4 November 2022, both days inclusive, as the Register will be closed for this period.
- Although the important 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 Mauritian Companies Act and the JSE Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
- All dates and times indicated above are South African Standard Time, unless otherwise specified.

DEFINITIONS AND INTERPRETATION

“Adjusted Growth in Invested NAV%”	<p>the percentage increase in Invested NAV for any financial year of ARC Investments which is calculated in accordance with the following formula:</p> $\text{Adjusted Growth in Invested NAV\%} = ([A] - [B]) / [C]$ <p>where:</p> <p>A = the Growth in Invested NAV.</p> <p>B = the Performance Participation.</p> <p>C = the previous highest Invested NAV, as recorded as at the end of any particular financial year prior to the relevant financial year;</p>
“ARC”	African Rainbow Capital Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2015/000394/07, being the holding company of ARC Investments (refer to Annexe A for the corporate structure of the ARC Group);
“ARC Fund”	an <i>en commandite</i> partnership established in South Africa and governed by the Partnership Agreement;
“ARC Group”	UBI, ARC and all other direct and indirect subsidiaries of UBI from time to time, the corporate structure of which is set out in Annexe A ;
“ARC Investments”	African Rainbow Capital Investments Limited, a company incorporated under the laws of Mauritius with company number: C148430 and holding a Global Business Licence issued by the FSC, the Shares of which are listed on the JSE and A2X;
“A2X”	A2X Markets Proprietary Limited, a company incorporated with limited liability under the laws of South Africa with registration number: 2014/147138/07 and licensed as an exchange under the Financial Markets Act;
“A2X News Service”	the Stock Exchange News Service of A2X;
“Board” or “Directors”	the board of directors of ARC Investments, which, as at the Last Practicable Date, comprised the persons whose names appear in “Corporate information and advisors”;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE and A2X made in accordance with the provisions of the Financial Markets Act;
“B Share”	the unlisted B shares of no par value in the share capital of ARC Investments;
“Certificated Shareholder”	holders of Certificated Shares;
“Certificated Shares”	Ordinary Shares that have not been Dematerialised, the title to which is represented by a share certificate or other Document of Title;
“Circular”	this bound document, dated Tuesday, 18 October 2022, including any annexures hereto;
“Constitution”	the constitution of ARC Investments, being the governing document of ARC Investments adopted on 25 August 2017;
“Creditable Fees”	has the meaning given thereto in clause 6.7 of the Partnership Agreement, which agreement is available for inspection in accordance with paragraph 14;
“CSDP”	a central securities depository participant, being a “participant” as defined in section 1 of the Financial Markets Act, appointed by a shareholder to hold and administer securities or an interest in securities on behalf of a shareholder;
“C Share”	the unlisted C shares of no par value in the share capital of ARC Investments;
“Dematerialisation”	the process by which Certificated Shares are converted to electronic form as uncertificated securities and recorded in a sub-register of securities holders maintained by a CSDP, after the Documents of Title have been validated or cancelled by the Transfer Secretaries and captured onto the Strate System by the selected CSDP or Broker;
“Dematerialised Shareholder”	a Shareholder who holds Dematerialised Shares;
“Dematerialised Shares”	Ordinary Shares that have been through the Dematerialisation process;
“Financial Markets Act”	the South African Financial Markets Act, 19 of 2012, as amended;
“FinHoldCo”	African Rainbow Capital Financial Services Holdings Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2017/098058/07;
“FSC”	the Financial Services Commission of Mauritius;
“General Meeting”	the extraordinary general meeting to be held by ARC Investments on Tuesday, 15 November 2022, at which Shareholders will consider, and if deemed appropriate, approve the Proposed Amendments;
“General Partner”	the general partner of the ARC Fund, being UBI General Partner Proprietary Limited, registration number: 2016/224437/07, a private company incorporated in accordance with the laws of South Africa or such other entity as may be determined by the Limited Partner in accordance with the provisions of the Partnership Agreement;

DEFINITIONS AND INTERPRETATION

“Growth in Invested NAV”	prior to any amendment thereof, as defined in the terms of the C Shares contained in the Constitution;
“Half Year”	each six month period commencing ending on 30 June and 31 December of each year;
“IFRS”	International Financial Reporting Standards;
“Independent Expert”	BDO Corporate Finance Proprietary Limited, a private company incorporated under the laws of South Africa with registration number: 1983/002903/07;
“Independent Expert’s Report” or “Report of the Independent Expert”	the report prepared by the Independent Expert, as represented by N Lazanakis, for purposes of opining on the fairness and reasonableness of the Proposed Amendments;
“Independent Reporting Accountant” or “PwC”	PricewaterhouseCoopers Inc., a personal liability company duly incorporated in accordance with the laws of South Africa with registration number: 1998/012055/21, and the Company’s reporting accountant for the purposes of the Circular;
“Invested NAV”	the value of the Investments as reflected in the latest annual valuation or interim valuation (whichever is the most recent) adjusted for any acquisitions or disposals in the relevant Half Year;
“Investment”	an investment acquired or made by the ARC Fund; either directly or indirectly through an investment holding entity;
“Investment Committee”	the investment committee established as a subcommittee of the board of directors of the General Partner;
“Investment Services Agreement”	the investment services agreement entered into between ARC and the General Partner on 14 August 2017;
“JSE” or “JSE Limited”	JSE Limited, a public company incorporated in accordance with the laws of South Africa and which is licensed to operate an exchange in terms of the Financial Markets Act, with registration number: 2005/022939/06;
“JSE Listings Requirements”	the listings requirements of the JSE applicable to issuers with equity admitted to listing and trading on the Main Board of the JSE, as amended;
“Last Practicable Date”	Tuesday, 4 October 2022, being the last practicable date prior to the finalisation of this Circular;
“Limited Partner”	the commanditarius partner of the ARC Fund, being ARC Investments;
“Management Fee”	the Half Yearly management fee charged by the General Partner to the ARC Fund;
“Mauritian Companies Act”	the Mauritian Companies Act, 15 of 2001, as amended;
“Mauritius”	the Republic of Mauritius;
“NAV”	net asset value;
“Notice of General Meeting”	the notice of the General Meeting to be held on Tuesday, 15 November 2022 and which notice is attached to this Circular;
“Opening Invested NAV”	Invested NAV as at the beginning of the first Business Day of a relevant Half Year;
“Partnership Agreement”	the partnership agreement establishing and governing the ARC Fund and as amended from time to time;
“Performance Hurdle”	10% per annum compounded annually at each financial year end during each financial year of ARC Investments;
“Performance Participation”	the performance participation for the Performance Period calculated in accordance with the terms of the C Shares as set out in the “Performance Participation” paragraph of the Pre-Listing Statement;
“Performance Participation Fee”	the fee payable to the holder of the C Shares pursuant to its Performance Participation;
“Performance Period”	a financial year of ARC Investments;
“Pre-Listing Statement”	the ARC Investments pre-listing statement dated 28 August 2017;
“Proposed Amendments”	collectively, (i) the proposed amendments to the Management Fee as charged under the Partnership Agreement; and (ii) the proposed amendments to the terms of the C Shares set out in the Constitution, particularly in respect of the Performance Participation arrangement contained therein;
“R” or “Cents”	South African Rand and cents, the official currency of South Africa;
“Register”	the register of Shareholders maintained by the Transfer Secretaries;
“Related Party Transaction”	as defined in Section 10 of the JSE Listings Requirements and for purposes of this Circular, the amendments to the Partnership Agreement proposed by the Proposed Amendments;
“Resolutions”	the resolutions proposed in respect of the Proposed Amendments and for purposes of the Related Party Transaction and which are set out in the Notice of General Meeting;
“SAICA”	the South African Institute for Chartered Accountants;
“SENS”	the Stock Exchange News Service of the JSE;
“Service Fee”	the service fee charged by ARC to the General Partner in terms of the Investment Services Agreement;

DEFINITIONS AND INTERPRETATION

“Shareholder”	a registered holder of Shares;
“Shares”	ordinary shares of no par-value in the share capital of ARC Investments;
“South Africa”	the Republic of South Africa;
“Statement of Comprehensive Income”	the statement of comprehensive income for ARC Investments for the 12 months ended 30 June 2022;
“Statement of Financial Position”	the statement of financial position of ARC Investments as at 30 June 2022;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited, the transfer secretaries of ARC Investments, which is a private company incorporated under the laws of South Africa, with registration number: 2004/003647/07;
“Transaction Sponsor”	Deloitte & Touche Sponsor Services Proprietary Limited, a private company incorporated under the laws of South Africa, with registration number 1996/000034/07;
“UBI”	Ubuntu-Botho Investments Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2004/002569/07, the ultimate holding company of ARC Investments as set out in the corporate structure in Annexure A;
“VAT”	value added tax levied in terms of the Value-added Tax Act, 89 of 1991;
“UBI Group”	UBI and its direct and indirect subsidiaries, from time to time;
“UBI Entities”	the General Partner, ARC, the ARC Fund, FinHoldCo and ARC Financial Services Investments Proprietary Limited and each of their direct or indirect subsidiaries; and
“Voting Record Date”	Friday, 4 November 2022.



AFRICAN RAINBOW CAPITAL INVESTMENTS LIMITED
(Incorporated in the Republic of Mauritius)
(Company number: C148430)
JSE and A2X share code: AIL
ISIN: MU0553S00000
("ARC Investments")

Directors

Independent non-executive Directors

Mark Cyril Olivier (Chairperson)
Clive Msipha ***
Dr Renosi Mokate **
Smitha Algoo-Bissonauth *
Anil Currimjee *
* Mauritian
** South African
*** Zimbabwean

Non-executive Director

Refiloe Nkadimeng **

1. PURPOSE OF THIS CIRCULAR

- 1.1 Shareholders are referred to the announcement released by ARC Investments on SENS and the A2X News Services on Friday, 30 September 2022 relating to:
 - 1.1.1 the Proposed Amendments to the Management Fee and the Performance Participation; and
 - 1.1.2 the fact that the amendments which are proposed to the Management Fee constitute a Related Party Transaction for purposes of section 10 of the JSE Listings Requirements.
- 1.2 This Circular has therefore been prepared for purposes of compliance with section 10 of the JSE Listings Requirements and incorporates the Notice of General Meeting for the General Meeting at which Shareholders will consider, and if deemed appropriate, approve the Resolutions regarding the Proposed Amendments. It should be noted that each of the Resolutions contained in the Notice of General Meeting must be approved for the Proposed Amendments to become effective.

2. OVERVIEW OF THE ARC GROUP

- 2.1 The principal activities of ARC Investments are that of an investment holding company which offers shareholders long-term capital appreciation by indirectly investing in a diversified portfolio of unlisted and listed investments. ARC Investments is the Limited Partner with a 99.95% interest in the ARC Fund. The corporate structure of the ARC Group is set out in **Annexe A**.
- 2.2 ARC Fund invests in a broad range of sectors and through a variety of unlisted and listed entities and generally seeks to gain exposure to growth and early-maturity stage businesses in which management teams are appropriately incentivised. Where the ARC Fund holds the majority or significant minority interests in portfolio companies, where appropriate, it seeks to provide broad strategic guidance through representation and participation on the board of directors of such companies.
- 2.3 The ARC Fund, as a broad-based black-controlled investment vehicle, provides solid empowerment credentials, access to capital, relationships, synergies and strategic support (i.e. governance, human capital) to investee companies.
- 2.4 The ARC Fund has two distinct investment focus areas:
 - 2.4.1 In terms of its financial services approach, it leverages the ARC Fund team's extensive experience in financial services to evaluate and pursue investment opportunities. Investments are made considering the stand-alone and synergistic potential across all the businesses in the financial services portfolio.
 - 2.4.2 In terms of its diversified investments approach, the General Partner evaluates investment opportunities in conjunction with its partners who are sector experts (e.g. telecoms, property, business process outsourcing). Investments are made with stand-alone and synergistic potential in mind within the sub-category (e.g. property or agriculture). The businesses in the diversified investments portfolio offer significant client pool value for the financial services businesses.

3. BACKGROUND TO THE PROPOSED AMENDMENTS

3.1 Current Management Fee Structure

- 3.1.1 In terms of the Partnership Agreement, the General Partner charges the ARC Fund a Half Yearly Management Fee based on the Opening Invested NAV. The fee scale is as follows:

- 3.1.1.1 if Opening Invested NAV is below R10 billion, then 1.75% per annum on the average of the Opening Invested NAV and Closing Invested NAV of that half Year;
- 3.1.1.2 if Opening Invested NAV is between R10 billion and R15 billion, the higher of the amount determined in paragraph 3.1.1.1 above and 1.5% of the average of the Opening Invested NAV and the Closing Invested NAV of that Half Year;
- 3.1.1.3 if the Opening Invested NAV is above R15 billion, 1.25% on the average of the Opening Invested NAV and Closing Invested NAV of that Half Year; plus
- 3.1.1.4 a cash management fee of 0.25% per annum on average of the opening and closing balance of the Cash Management Investments of that Half Year,
- 3.1.1.5 reduced by any Creditable Fees for the previous Half Year, in each case determined as at the beginning and end of the relevant Half Year, provided that in no event shall the fee payable to the General Partner be less than zero.

3.2 Current Investment Services Fee

In terms of the Investment Services Agreement, ARC charges the General Partner an Investment Services Fee of 95% of the Management Fee for the administration and investment services functions it performs on behalf of the General Partner.

3.3 Current Performance Participation

- 3.3.1 The terms of the C Shares contain the current Performance Participation arrangement.
- 3.3.2 As set out in the terms of the C Shares, the Performance Participation is currently calculated on an annual basis on the Growth in Invested NAV, subject to that growth exceeding the Performance Hurdle and the Invested NAV at the beginning of the measurement period not being less than the previous highest Invested NAV, as follows:

$$\text{Performance Participation} = [A] \times 16\%$$

Where:

A = Growth in Invested NAV,

provided that in no event shall:

- the Performance Participation be less than zero; and
- the Performance Participation result in the Adjusted Growth in Invested NAV% decreasing below the Performance Hurdle. If the Performance Participation does result in the Adjusted Growth in Invested NAV% decreasing below the Performance Hurdle, then the Performance Participation will be reduced to such amount as will result in the Adjusted Growth in Invested NAV% being equal to the Performance Hurdle.

3.4 Proposed Amendments

3.4.1 Partnership Agreement : Management Fee

It is proposed that the Management Fee charged by the General Partner to the ARC Fund will be amended to an amount which is expected to be significantly lower than the current Management Fee, and which can never be higher than the current Management Fee. The amended Management Fee will be calculated as the lower of:

- 3.4.1.1 the fee that would have applied had the current method of calculating the Management Fee as set out in paragraph 3.1 continued to be applied; and
- 3.4.1.2 the actual cost of managing the ARC Fund, including the Services Fee charged by ARC and other direct costs incurred by the General Partner plus a 5% mark-up thereon (excluding VAT),

in either such case reduced by any Creditable Fees received by the General Partner or any of its associates (including ARC) during the relevant Half Year; provided that in no event shall the amended Management Fee be less than zero.

The proposed amendments to the Partnership Agreement are set out in **Annexe E**.

3.4.2 Investment Services Agreement : Service Fee

It is proposed that the new Service Fee will be a proportionate share of the actual costs incurred by the UBI group that relate to the management and administration of the UBI Entities (including the ARC Fund). The costs of managing and administering the ARC Fund (in relation to the costs of managing and administering the UBI Group as whole), will be determined on the following basis:

- 3.4.2.1 costs directly attributable to the Partnership or any other particular UBI Entity will be allocated to the Partnership or such other UBI Entity, as applicable.
- 3.4.2.2 costs relating to more than one UBI Entity will be attributable to those UBI Entities in proportions determined with regard to time spent by relevant UBI Group personnel on work relating to the UBI Entities concerned, and other relevant criteria.

CIRCULAR TO SHAREHOLDERS

3.4.2.3 in the case of costs relating to FinHoldCo and ARC Financial Services Investments Proprietary Limited and their direct and indirect subsidiaries, only that proportion of those costs which equals the proportionate direct or indirect, as the case may be, interest of the Partnership in the relevant UBI Entity will be allocated to the Partnership.

3.4.2.4 after the end of each Half Year, ARC shall calculate and submit to the General Partner for its approval the costs attributable to the Partnership for that Half Year (and consequently its calculation of the amount of the Service Fee for that Half Year), and shall, following receipt of written approval thereof from the General Partner, issue an invoice for the Service Fee to the General Partner.

3.4.2.5 at the same time as ARC submits to the General Partner its calculation of the amount of the Service Fee for a Half Year, ARC shall also calculate and submit to the General Partner for its approval the Creditable Fees (as defined in the Partnership Agreement) in respect of that Half Year to enable the General Partner to calculate the Management Fee for that Half Year, in accordance with clause 6 of the Partnership Agreement.

The amended Investment Services Agreement will be available for inspection in accordance with paragraph 14 below and the salient terms of the amendments are set out in **Annexe F**.

3.4.3 C Shares : Performance Participation

The main proposed amendment to the Performance Participation is to calculate the Performance Participation on the outperformance of NAV growth (rather than growth in Invested NAV) above the Performance Hurdle, instead of on (all) the Growth in Invested NAV. This will result in the Performance Participation being calculated with reference to the return on investments of the ARC Fund based on the total NAV of the ARC Fund (not just the Invested NAV). The return will therefore be calculated on the total NAV, including cash balances and the Performance Participation will only apply to returns above the Performance Hurdle. The amended terms of the C Shares are set out in **Annexe G**.

3.5 Rationale for the Proposed Amendments

3.5.1 The board of the General Partner has proposed to amend the current Management Fee and Service Fee arrangements and the terms of the Performance Participation for, *inter alia*, the following reasons:

3.5.1.1 the Shares trade at a discount to the NAV per share of the underlying investments in the ARC Fund. The Investment Committee, based on discussions with Shareholders and other market participants, believes that one of the reasons for the discount is the current Management Fee and Performance Participation arrangements, which are considered to be out of line with respect to best practice for listed entities;

3.5.1.2 the actual costs incurred by ARC for the investment and administration services which it provides to the General Partner are less than the current Services Fee charged by ARC to the General Partner; and

3.5.1.3 the current calculation of the Performance Participation (on the Invested NAV rather than on NAV of the ARC Fund) excludes cash and debt balances and is silent on the treatment of other income earned by the ARC Fund, including dividends paid by the various investments, which should be included in determining the investment returns.

3.6 Effective Date

Subject to the approval by Shareholders of the Resolutions, each of the Proposed Amendments will become effective retrospectively from 1 July 2022. In order for the Proposed Amendments to become effective, each of the Resolutions must be approved by Shareholders at the relevant threshold for approval set out in the Notice of General Meeting.

4. RELATED PARTY TRANSACTION EFFECTS OF THE PROPOSED AMENDMENTS AND AMENDMENTS TO THE CONSTITUTION

4.1 Paragraph 10.1 of the JSE Listings Requirements provides that a "transaction" includes "any variation or novation of an existing agreement between an issuer ... and a related party".

4.2 The Proposed Amendments to the Management Fee will require amendments to the Partnership Agreement. As the General Partner is a related party of ARC Investments by virtue of the General Partner being an associate (as defined in the JSE Listings Requirements) of ARC Investments' ultimate controlling shareholder, UBI, and the Proposed Amendments will result in a "variation" of the existing Partnership Agreement, the Proposed Amendments result in a Related Party Transaction between ARC Investments and the General Partner.

4.3 The Performance Participation is contained in the terms of the C Shares and, accordingly, amendments to the terms of the C Shares constitute an amendment to the Constitution. The Proposed Amendments to the terms of the C Shares and the resultant amendments to the Constitution do not constitute a Related Party Transaction and are therefore not subject to the requirements of section 10 of the JSE Listings Requirements. Inclusion of the *pro forma* financial effects of these Proposed Amendments and inclusion thereof in the Independent Expert's Report is voluntary and ARC Investments has included them in this Circular to provide Shareholders with complete information regarding the impact of the Proposed Amendments (i.e. if the proposed changes are made to the Management Fee and the Performance Participation).

4.4 Accordingly, the approvals being sought from Shareholders for the Proposed Amendments are:

4.4.1 in terms of section 10 of the JSE Listings Requirements for the Proposed Amendments to the Partnership Agreement; and

CIRCULAR TO SHAREHOLDERS

4.4.2 in terms of articles 1.3.2 and 4.1.8 of the Constitution and sections 44(2) and 114 of the Mauritian Companies Act in relation to the amendments proposed to the Performance Participation contained in the terms of the C Shares which constitute an amendment to the Constitution,

for the implementation of the Proposed Amendments.

4.5 UBI, as the sole shareholder of the General Partner and its associates (as defined in the JSE Listings Requirements) will not vote any of their Shares in respect of the Resolution regarding the amendments which are proposed to the Management Fee and the Partnership Agreement, as those amendments are a Related Party Transaction, but UBI will be taken into account for the purposes of determining the quorum for that Resolution. UBI, as the sole holder of the C Shares, will, however, vote in respect of the amendments which are proposed to the Performance Participation, which require amendments to the terms of the C Shares contained in the Constitution as those amendments do not constitute a Related Party Transaction. UBI will also vote in respect of the separate class vote of the holder of the C Shares to approve the variation in the rights of the C Shares as it is the sole holder of the C shares.

4.6 The amendments proposed to the Investment Services Agreement do not constitute a Related Party Transaction as it is an agreement between ARC and the General Partner. As the Investment Services Agreement does not involve ARC Investments, no shareholder approval is required for these amendments from ARC Investments' Shareholders. The proposed amendments to the Investment Services Agreement are disclosed in this Circular in order to provide Shareholders with full details of the fees paid to and payable by the General Partner and the fees payable to ARC.

5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED AMENDMENTS

5.1 In terms of section 10 of the JSE Listings Requirements, ARC Investments is required to prepare *pro forma* financial information showing the effects of the Related Party Transaction on the Statement of Financial Position and Statement of Comprehensive Income. Only the amendments which are proposed to the Partnership Agreement in respect of the Management Fee are a Related Party Transaction, but to provide Shareholders with complete information on the full effects of the Proposed Amendments (i.e. the amendments to both the Management Fee and the Performance Participation Fee), the *pro forma* effects of both of the Proposed Amendments are included in the *pro forma* financial information disclosed in this Circular.

5.2 The *pro forma* financial information, including the *pro forma* financial effects of the Proposed Amendments on the financial information of ARC Investments as at 30 June 2022, is set out in **Annexe B** of this Circular and is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on *Pro Forma* Financial Information issued by SAICA. The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board.

5.3 The accounting policies used in the preparation of the *pro forma* financial information are compliant with IFRS and are consistent with those applied in the annual financial statements of ARC Investments for the financial year ended 30 June 2022. It has been assumed, for purposes of the *pro forma* financial effects, that the Proposed Amendments took place with effect from 1 July 2021 for the *pro forma* Statement of Comprehensive Income and as at 30 June 2022 for the *pro forma* Statement of Financial Position.

5.4 The *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the Proposed Amendments may have affected the financial position of ARC Investments. Due to its nature, the *pro forma* financial information may not fairly represent ARC Investments' financial position, comprehensive income, changes in equity or cash flows after implementation of the Proposed Amendments.

5.5 The table below is a summary of the detailed *pro forma* financial information as set out in **Annexe B**.

	Before the Proposed Amendments ⁽¹⁾	<i>Pro forma</i> results after the Proposed Amendments to the Management Fee ⁽²⁾	<i>Pro forma</i> results after the Proposed Amendments to the Performance Participation Fee ⁽²⁾	<i>Pro forma</i> results after the Proposed Amendments ⁽²⁾	% change
NAV and net tangible asset value per Share (cents)	1,008	1,018	1,008	1,018	0.91%
Diluted NAV and diluted net tangible asset value per Share (cents)	988	997	1,001	1,011	2.32%
Basic earnings per Share (cents)	102	112	116	126	23.85%
Diluted earnings per Share (cents)	100	110	115	125	25.58%
Headline earnings per Share (cents)	102	112	116	126	23.85%
Diluted headline earnings per Share (cents)	100	110	115	125	25.58%
Number of Shares in issue as at 30 June 2022 (million)	1,318	1,318	1,318	1,318	
Weighted average number of Shares in issue during the year ended 30 June 2022 (million)	1,318	1,318	1,318	1,318	
Diluted number of Shares in issue at the end of the year (million)	1,345	1,345	1,326	1,326	

CIRCULAR TO SHAREHOLDERS

Notes:

1. The "Before the Proposed Amendments" column has been extracted, without adjustment, from ARC Investments' annual financial statements for the financial year ended 30 June 2022.
2. The "Pro forma after the Proposed Amendments" columns reflect the impact of the *pro forma* adjustments on ARC Investments of the proposed changes to the Management Fee, Performance Participation Fee, and combined, being the Proposed Amendments, respectively.
3. The effects on earnings, diluted earnings, headline earnings and diluted headline earnings per Share are calculated on the basis that the Proposed Amendments were effective on 1 July 2021, while the effects on NAV, diluted NAV, net tangible asset value and diluted net tangible value per Share were calculated on the basis that the Proposed Amendments were effective on 30 June 2022 for purposes of presenting the *pro forma* financial effects thereof on ARC Investments.
4. The detailed notes and assumptions to the financial effects are presented with the *pro forma* Statement of Comprehensive Income and the *pro forma* Statement of Financial Position contained in **Annexe B** to this Circular. The Independent Reporting Accountant's reasonable assurance report on the *pro forma* financial information is included in **Annexe C** to this Circular.

The above *pro forma* financial effects should be read in conjunction with the *pro forma* financial information for ARC Investments (being the *pro forma* Statement of Comprehensive Income and the *pro forma* Statement of Financial Position for the year ended 30 June 2022) and the accompanying reasonable assurance report prepared by the Independent Reporting Accountant in relation to such *pro forma* financial information, as contained in **Annexe B** and **Annexe C**, respectively, to this Circular.

6. MAJOR SHAREHOLDERS AND INTERESTS OF DIRECTORS AND THEIR ASSOCIATES

6.1 Major Shareholders and controlling Shareholders

The following Shareholders were, directly or indirectly, beneficially interested in 5% or more of the Shares as at the Last Practicable Date:

Shareholder	Direct or indirect beneficial owner	Number of Shares held	Percentage of issued share capital
Public Investment Corporation SOC Limited	Direct beneficial owner	191,254,876	14.51%
ARC ⁽¹⁾	Direct beneficial owner	584,530,305	44.36%
Total		775,785,181	58.87%

Notes:

1. ARC, as an associate of UBI, will not exercise any voting rights in respect of the amendments proposed to the Partnership Agreement as these amendments are considered a Related Party Transaction. ARC will be entitled to vote on the amendments to the Constitution constituted by Amendments to the terms of the C Shares as this is not a Related Party Transaction.

6.2 Directors' interests in Shares

The direct and indirect beneficial interests of the Directors (and their associates) in Shares, including Directors and prescribed officers who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below:

Name	Direct beneficial	Indirect beneficial	Total	Percentage of issued Shares
Non-Executive Directors				
Mark Olivier	-	305,882	305,882	0.023%
Mmamodiane Refiloe Nkadimeng	60,000	-	60,000	0.005%
Total	60,000	305,882	365,882	0.028%

Directors not listed above do not hold any interest in Shares.

6.3 Directors' remuneration

The remuneration of the Directors is contained in the integrated annual report of ARC Investments. The remuneration of the Directors will not be varied as a result of the implementation of the Proposed Amendments.

6.4 Directors' interest in the Related Party Transaction

The Directors do not have any beneficial interest, whether direct or indirect, in the Related Party Transaction nor did they have any material interest in a transaction that was effected by ARC Investments during: (i) the current or immediately preceding the financial year; or (ii) an earlier financial year and remaining any respect outstanding or unperformed.

CIRCULAR TO SHAREHOLDERS

7. MATERIAL CONTRACTS

7.1 Other than disclosed below, ARC Investments has not entered into any material contracts, either verbally or in writing, being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of the business carried on, or proposed to be carried on, by ARC Investments or any of the members of its group and:

7.1.1 entered into within the preceding two years prior to the date of issue of this Circular; or

7.1.2 entered into at any time and containing an obligation or settlement that is material to ARC Investments and its subsidiaries as at the date of this Circular.

7.2 Addendum to the Partnership Agreement establishing the ARC Fund (“Addendum”)

On 29 September 2022, ARC Investments and the General Partner, entered into the Addendum to effect the amendments which are proposed in respect of the Management Fee as described in paragraph 3.4 above. The Addendum is conditional upon the adoption by the Shareholders of the Resolutions. If the Resolutions are adopted, the Addendum will become effective retrospectively from 1 July 2022. An extract of the Addendum is provided in **Annexe E** to the Circular and the full Addendum is available for inspection as per paragraph 14 below.

The Addendum requires approval from Shareholders in accordance with section 10 of the JSE Listings Requirements as the Addendum constitutes a Related Party Transaction. The extent and rationale for the amendments proposed in the Addendum are set out in paragraph 3 above.

8. MATERIAL CHANGE IN RESPECT OF ARC INVESTMENTS

The Directors are not aware of any material changes in the financial or trading position of ARC Investments or its subsidiaries subsequent to the latest published audited annual financial statements of ARC Investments for the financial year ended 30 June 2022, other than the changes noted in this Circular and in any SENS and A2X News Services announcements made by ARC Investments on or before the Last Practicable Date.

9. MATERIAL LITIGATION

ARC Investments is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the previous 12 months a material effect on ARC Investments’ or any member of its group’s financial position.

10. EXPENSES RELATING TO THE TRANSACTION

It is estimated that the total expenses relating to the Proposed Amendments will amount to approximately R1,100,000 (costs are exclusive of VAT) and includes the following:

Description	Service Provider	Estimated Amount
Independent Reporting Accountant	PricewaterhouseCoopers	R200,000
Independent Expert	BDO Corporate Finance Proprietary Limited	R350,000
Legal Adviser as to South African law	Webber Wentzel	R200,000
Legal Adviser as to Mauritian law	BLC	R110,000
Transaction Sponsor	Deloitte & Touche Sponsor Services Proprietary Limited	R80,000
Documentation Review	JSE	R85,000
Transfer Secretaries	Computershare Investor Services Proprietary Limited	R35,000
Printing and Postage	Idea Exchange	R48,000
Total		R1,100,000

11. REPORT OF THE INDEPENDENT EXPERT

11.1 In terms of section 10 of the JSE Listings Requirements, this Circular together with any recommendation by the Board must be accompanied by an opinion of the Independent Expert by virtue of the fact that the Proposed Amendments in respect of the Management Fee constitutes a Related Party Transaction.

11.2 The Report of the Independent Expert has been prepared to consider the fairness of the Proposed Amendments (both in respect of the Management Fees and the Performance Participation).

11.3 Having considered the Proposed Amendments and for the reasons set out in the Independent Expert’s Report set out in **Annexe D**, the Independent Expert has concluded that the terms and conditions of the Proposed Amendments are fair to Shareholders.

12. DIRECTORS’ RESPONSIBILITY STATEMENT AND RECOMMENDATION

12.1 The Directors, whose names are given on page 11 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the JSE Listings Requirements.

CIRCULAR TO SHAREHOLDERS

12.2 The Board is of the opinion that the terms of the Proposed Amendments are in the interest of the Shareholders and, accordingly, recommends that Shareholders vote in favour of the Resolutions necessary to effect the Proposed Amendments. Each of the Directors who holds Shares will, to the extent permitted, vote their Shares in favour of the Resolutions.

13. CONSENTS

The advisers to ARC Investments listed in “Corporate Information and Advisers” of this Circular have consented in writing to act in the capacities stated and to the inclusion of their names in the form and context in which they appear in this Circular and have not withdrawn their consents prior to the Last Practicable Date. The Independent Reporting Accountant and Independent Expert have consented to references to their reports in the form and context in which they appear and has not withdrawn their consents prior to the Last Practicable Date.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered offices of ARC Investments and the General Partner, whose registered office details can be found in the “Corporate Information and Advisers” section of this Circular and copies can be requested from ARC Investments by emailing investors@arci.mu, during normal business hours and on Business Days from the date of issue of this Circular up to and including the date of the General Meeting:

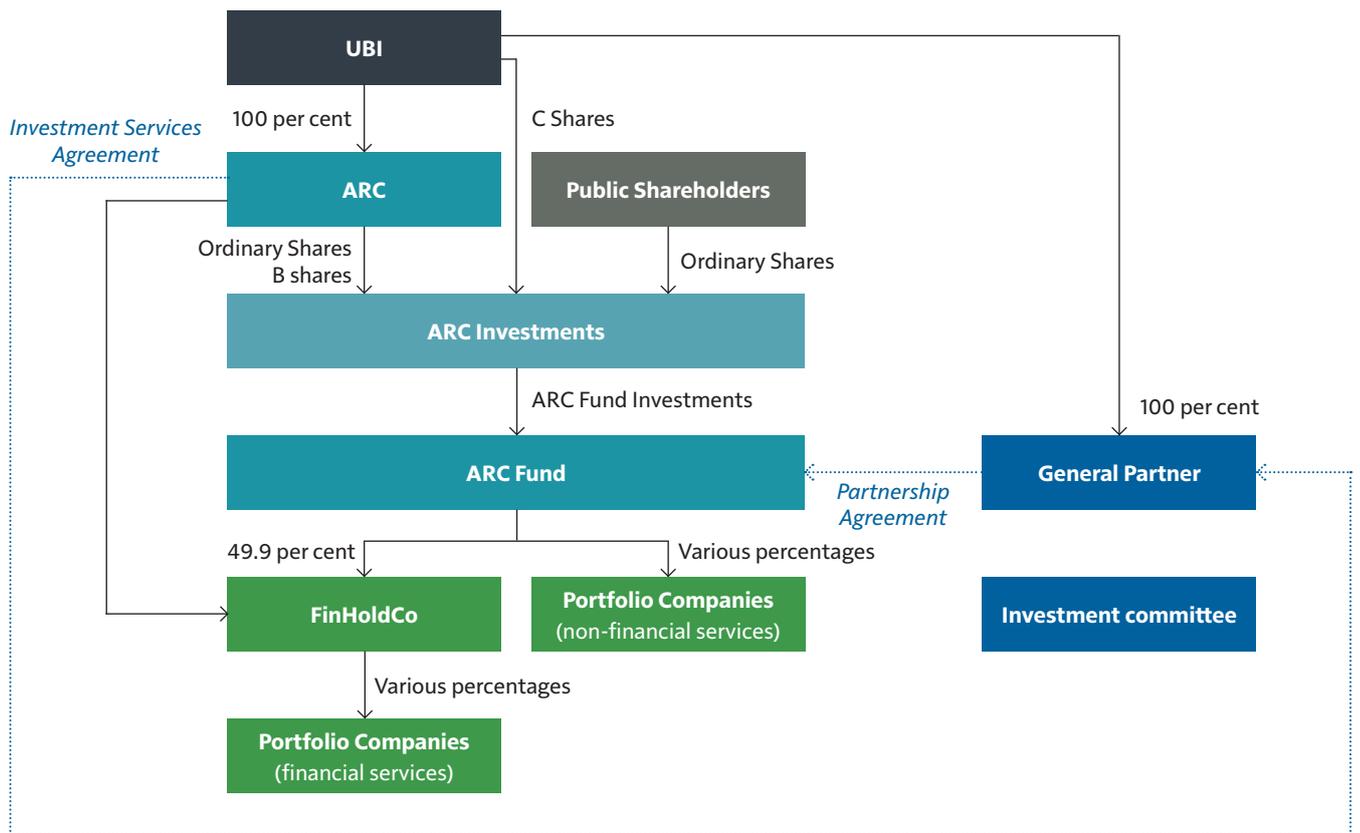
- 14.1 the Constitution;
- 14.2 a signed copy of this Circular;
- 14.3 the audited annual financial statements of ARC Investments for the years ended 30 June 2022, 30 June 2021 and 30 June 2020;
- 14.4 the Independent Reporting Accountant’s reasonable assurance report on the compilation of the *pro forma* financial information, as set out in **Annexe C**;
- 14.5 the Independent Expert’s Report as set out in **Annexe D**;
- 14.6 a summary of the Directors’ service contracts;
- 14.7 a copy of the Addendum summarised in paragraph 7;
- 14.8 a copy of the amended Investment Services Agreement;
- 14.9 a copy of the finalised terms of the C Shares as well as a version showing the amendments made; and
- 14.10 the written consents of the professional advisers and the Transfer Secretaries to ARC Investments as per paragraph 13.

Signed at Mauritius on behalf of the Board (and authorised by a board resolution)

Smitha Algoo-Bissonauth
6 October 2022

ANNEXE A

CORPORATE STRUCTURE OF THE ARC GROUP



ANNEXE B

PRO FORMA FINANCIAL INFORMATION

Set out below is the *pro forma* Statement of Financial Position and the *pro forma* Statement of Comprehensive Income of ARC Investments, showing the *pro forma* financial effects of the Proposed Amendments (the "*pro forma* financial information").

The *pro forma* financial information has been prepared to illustrate the impact of the Proposed Amendments on the published financial information of ARC Investments for the year ended 30 June 2022. Because of its nature, the *pro forma* financial information may not fairly present ARC Investments' financial position, changes in equity, results of operations or cash flows following implementation of the Proposed Amendments.

The *pro forma* financial information of ARC Investments has been prepared using the accounting policies of ARC Investments as at 30 June 2022, which are in compliance with IFRS, in accordance with the applicable criteria of the JSE Listings Requirements and in terms of the Guide on *Pro Forma* Financial Information issued by SAICA.

The *pro forma* financial information, including the assumption on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors.

The *pro forma* financial information should be read in conjunction with the Independent Reporting Accountant's reasonable assurance report thereon, which is presented in **Annexe C** of this Circular.

Pro forma Statement of Financial Position as at 30 June 2022

The *pro forma* Statement of Financial Position as at 30 June 2022 has been prepared to show the impact of the Proposed Amendments as if it were effective on 30 June 2022.

R million	Unadjusted SOFP at 30 June 2022 ¹	Reversal of old Management Fee and Performance Participation Fee ²	New Management Fee and Performance Participation Fee ³	Transaction expenses ⁴	Pro forma SOFP at 30 June 2022
ASSETS					
Non-current assets					
Investment in the ARC Fund at FVTPL*	13,269	225	(90)	-	13,404
Current assets					
Trade and other receivables	-	-	-	-	-
Cash and cash equivalents	9	-	-	(1)	8
Total assets	13,278	225	(90)	(1)	13,412
EQUITY					
Stated capital	9,653	-	-	-	9,653
Accumulated loss	(385)	273	(87)	(1)	(200)
Performance Participation reserve	273	(273)	87	-	87
Fair value reserve	3,735	225	(90)	-	3,870
Total equity	13,276	225	(90)	(1)	13,410
LIABILITIES					
Current liabilities					
Trade and other payables	2	-	-	-	2
Total equity and liabilities	13,278	225	(90)	(1)	13,412
* FVPL: Fair value through profit or loss.					
Per share performance					
Number of ordinary shares in issue at the end of the year (million)	1,318		-		1,318
Net asset and net tangible asset value per share (cents)	1,008				1,018
Diluted number of shares at the end of the year (million)	1,345		(19)		1,326
Diluted net asset and diluted net tangible asset value per share (cents)	988				1,011

Notes and assumptions:

- 1 Extracted, without adjustment, from ARC Investments' annual financial statements for the financial year ended 30 June 2022.
2. Reverses the Management Fee of R225m and Performance Participation Fee of R273m charged for the period, extracted from the notes to the audited results of ARC Investments for the 12-month period ended 30 June 2022.
3. Illustrates the new Management Fee of R90m and Performance Participation Fee of R87m, in accordance with the Proposed Amendments. The decrease in the diluted number of shares arises due to the new (equity-settled share-based payment) performance participation fee, being based on growth in the intrinsic portfolio value above a 10% performance hurdle, as opposed to the current arrangement whereby the performance participation fee is based on the full growth in the intrinsic portfolio value.
4. Once-off transaction expenses of R1m (including VAT) are expected to be incurred as a direct result of the Proposed Amendments. The transaction expenses are assumed to be paid in cash. No VAT may be claimed on the transaction expenses and they are not considered tax deductible.

ANNEXE B

PRO FORMA FINANCIAL INFORMATION

Pro forma Statement of Comprehensive Income for the financial year ended 30 June 2022

The pro forma Statement of Comprehensive Income as at 30 June 2022 has been prepared to show the impact of the Proposed Amendments as if it were effective on 1 July 2021.

R million	Unadjusted SOCI for the year ended 30 June 2022 ¹	Reversal of old Management Fee and Performance Participation Fee ²	New Management Fee and Performance Participation Fee ³	Transaction expenses ⁴	Pro forma SOCI for the year ended 30 June 2022
Fair value movements on the investment in the ARC Fund at FVTPL*	1,619	225	(90)	-	1,754
Other income	-	-	-	-	-
Other expenses	(7)	-	-	(1)	(8)
Performance Participation expense	(273)	273	(87)	-	(87)
Profit before taxation	1,339	498	(178)	(1)	1,658
Taxation	-	-	-	-	-
Profit for the year	1,339	498	(178)	(1)	1,658
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	1,339	498	(178)	(1)	1,658
Earnings and headline earnings per share:					
Weighted average number of shares in issue during the year (million)	1,318				1,318
Basic earnings per ordinary share (cents)	102				126
Diluted number of shares at the end of the year (million)	1,345		(19)		1,326
Diluted earnings per ordinary share (cents)	100				125

Notes and assumptions:

1. Extracted, without adjustment, from ARC Investments' annual financial statements for the financial year ended 30 June 2022.
2. Reverses the Management Fee of R225m and Performance Participation Fee of R273m charged for the period, extracted from the notes to the audited results of ARC Investments for the 12-month period ended 30 June 2022.
3. Illustrates the new Management Fee of R90m and Performance Participation Fee of R87m, in accordance with the Proposed Amendments. The decrease in the diluted number of shares arises due to the new (equity-settled share-based payment) performance participation fee, being based on growth in the intrinsic portfolio value above a 10% performance hurdle, as opposed to the current arrangement whereby the performance participation fee is based on the full growth in the intrinsic portfolio value.
4. Once-off transaction expenses of R1m (including VAT) are expected to be incurred as a direct result of the Proposed Amendments. The transaction expenses are assumed to be paid in cash. No VAT may be claimed on the transaction expenses and they are not considered tax deductible.
5. Save for the transaction expenses, all adjustments are expected to have a continuing effect.

ANNEXE C

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

"The Directors"

African Rainbow Capital Investments Limited
Level 3, Alexander House
35 Cybercity
Ebene, 72201
Mauritius

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of African Rainbow Capital Investments Limited (the "Company") by the directors. The *pro forma* financial information, as set out in **Annexe B** of the Circular, consist of *pro forma* financial effects, the *pro forma* Statement of Financial Position as at 30 June 2022, the *pro forma* Statement of Comprehensive Income for the year ended 30 June 2022 and related notes of the change in the annual management fee and performance participation fee of the ARC Fund. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited (JSE) Listings Requirements and described in paragraph 5 and **Annexe B** of the Circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the change in the annual management fee and performance participation fee of the ARC Fund. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 30 June 2022, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 5 and **Annexe B** of the Circular.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 5 and **Annexe B** of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

ANNEXE C

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 5 and **Annexe B** of the Circular.

PricewaterhouseCoopers Inc.

Director: Vincent Tshikhovhokhovho

Registered Auditor

Johannesburg, South Africa

6 October 2022

ANNEXE D

REPORT OF THE INDEPENDENT EXPERT

The Directors
African Rainbow Capital Investments Limited
Level 3, Alexander House
35 Cybercity
Ebene, 72201
Mauritius

6 October 2022

Dear Sirs/ Mesdames

FAIRNESS OPINION IN RESPECT OF THE PROPOSED AMENDMENTS TO:

- **THE EXISTING MANAGEMENT FEE CHARGED BY THE GENERAL PARTNER OF ARC FUND WHICH CONSTITUTES A RELATED PARTY TRANSACTION; AND**
- **THE TERMS OF THE C SHARES, PARTICULARLY THE PERFORMANCE PARTICIPATION ARRANGEMENT ENTERED INTO BETWEEN ARC INVESTMENTS AND UBI**

Introduction

Holders of ordinary shares of no par value in the issued share capital of African Rainbow Capital Investments Limited ("ARC Investments" or the "Company") ("Shares" or "Ordinary Shares") ("Shareholders") are referred to the announcements published on the Stock Exchange News Service of A2X Markets Proprietary Limited ("A2X") ("A2X News Service") and the Stock Exchange News Service operated by the JSE Limited ("JSE") ("SENS"), on 30 September 2022, wherein Shareholders were advised that the board of directors of ARC Investments ("Directors" or "Board") proposes to amend:

- the half-yearly management fee charged by the general partner of the *en commandite* partnership (the "ARC Fund"), being UBI General Partner Proprietary Limited ("General Partner") a wholly owned subsidiary of Ubuntu-Botho Investments Proprietary Limited ("UBI"), to the ARC Fund ("Management Fee") under the partnership agreement establishing and governing the ARC Fund and as amended from time to time ("Partnership Agreement") ("Management Fee Amendments") pursuant to the conclusion an addendum amending certain provisions of the Partnership Agreement ("Addendum to the Partnership Agreement"); and
- the terms of the unlisted C shares of no par value in the share capital of ARC Investments ("C Shares"), particularly in respect of the performance participation arrangement contained therein, which will be calculated annually ("Performance Participation") ("Performance Participation Amendments").

The Management Fee Amendments and Performance Participation Amendments are collectively the "Proposed Amendments".

Management Fee

In terms of the Partnership Agreement, the General Partner charges the ARC Fund a Management Fee based on the value of investments acquired or made by the ARC Fund ("Investments") as reflected in the latest annual valuation or interim valuation (whichever is the most recent) adjusted for any acquisitions or disposals in the relevant six month period commencing on 30 June and 31 December of each year ("Half Year") ("Invested NAV") as at the beginning of the first business day of a relevant Half Year ("Opening Invested NAV"). The fee scale is currently as follows:

- If Opening Invested NAV is below R10 billion, then 1.75% per annum on the average of the Opening Invested NAV and Invested NAV at close of business on the last business day of the relevant Half Year ("Closing Invested NAV") of that Half Year
- If Opening Invested NAV is between R10 billion and R15 billion, the higher of the amount determined above and 1.5% of the average of the Opening Invested NAV and the Closing Invested NAV of that Half Year;
- If the Opening Invested NAV is above R15 billion, 1.25% on the average of the Opening Invested NAV and Closing Invested NAV of that Half Year; plus
- A cash management fee of 0.25% per annum on average of the opening and closing balance of the Cash Management Investments of that half year,
- Reduced by any Creditable Fees for the previous Half Year, in each case determined as at the beginning and end of the relevant half year, provided that in no event shall the fee payable to the General Partner be less than zero. "Creditable Fees" means an amount equal to 100% of any:
 - directors' fees, monitoring fees, consulting fees and/or advisory fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing from or on behalf of a Portfolio Company in which the Partnership had an Investment during such Half Year;

ANNEXE D

REPORT OF THE INDEPENDENT EXPERT

- “break-up” or similar fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing in respect of a proposed Investment that does not close; and
- transaction fees, investment banking fees, underwriting fees or other similar fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing from or on behalf of a Portfolio Company,

it being understood and agreed that: (i) in determining the amount of the Creditable Fees for any Half Year commencing during the term of the Partnership, the total amount of fees referred to above received during such Half Year shall be reduced (without any duplication) by any unreimbursed expenses (stated in Rand) incurred by the General Partner, any of its Associates or any employees of any of the foregoing as of the end of such Half Year that are reimbursable by the Partnership as Operating Expenses in respect of all transactions involving proposed Investments which have been abandoned as of the end of such Half Year; and (ii) any fees received by any Person directly or indirectly in relation to any Investment or proposed Investment in respect of a co-investor or potential co-investor shall not be Creditable Fees.

In terms of the Management Fee Amendments, it is proposed that the Management Fee charged by the General Partner to the ARC Fund will be amended to an amount calculated as the lower of:

- the amount which would have been payable in respect of the relevant half year had the method of calculating the Management Fee which applied prior to 1 July 2022 continued to apply;
- the actual costs incurred by the General Partner in the relevant Half Year in respect of the management of the Partnership and its investments (including for avoidance of doubt the investment services fee payable by the General Partner to ARC in terms of the Investment Services Agreement) plus a 5% mark-up thereon,

in either such case reduced by any Creditable Fees received by the General Partner or any of its associates (including ARC) during the relevant Half Year, provided that in no event shall the Management Fee be less than zero.

The amended Management Fee can never be higher than the current Management Fee.

Performance Participation

Pursuant to the subscription agreement entered into between ARC Investments and UBI, UBI subscribed for 5,000,000,000 C shares (being 100% of the issued C Shares). The C Shares entitle UBI to a Performance Participation, until all C Shares are converted into Ordinary Shares in terms of the formula in the constitution of ARC Investments, being the governing document of ARC Investments adopted on 25 August 2017 (“Constitution”).

The Performance Participation is currently calculated annually based on the growth in Invested NAV, subject to that growth exceeding a performance hurdle of 10% per year (“Performance Hurdle”) and the Invested NAV at the beginning of the measurement period not being less than the previous highest Invested NAV, as follows:

$$\text{Performance Participation} = [A] \times 16\%$$

Where:

A = Growth in Invested NAV,

provided that in no event shall:

- the Performance Participation be less than zero; and
- the Performance Participation result in the Adjusted Growth in Invested NAV% decreasing below the Performance Hurdle. If the Performance Participation does result in the Adjusted Growth in Invested NAV% decreasing below the Performance Hurdle, then the Performance Participation will be reduced to such amount as will result in the Adjusted Growth in Invested NAV% being equal to the Performance Hurdle.

The Performance Participation Amendments proposes to calculate the Performance Participation on the outperformance of net asset value (“NAV”) growth (rather than growth in Invested NAV) above the existing hurdle rate of 10%, instead of on all the growth in Invested NAV. This will result in the Performance Participation being calculated with reference to the return on investments of the ARC Fund based on the total NAV of the ARC Fund (not just the Invested NAV). The return will therefore be calculated on the total NAV, including cash balances, and the Performance Participation will only apply to returns above the Performance Hurdle.

Fairness opinion required in terms of the JSE Listings Requirements

The General Partner is an associate of UBI, a material shareholder of ARC Investments, and consequently a related party as defined in section 10.1(b)(vii) of the JSE Listings Requirements (“Listings Requirements”).

The Management Fee Amendments constitutes a related party transaction per the Listings Requirements and in terms of Section 10.4 of the Listings Requirements, the Board is required to obtain a fairness opinion from an independent professional expert confirming whether the terms and conditions of the Management Fee Amendments are fair insofar as the Shareholders are concerned.

ANNEXE D

REPORT OF THE INDEPENDENT EXPERT

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent professional expert by the Board to provide a fairness opinion with regard to the Management Fee Amendments (“the Fairness Opinion”).

The Board has further requested an opinion of the Performance Participation Amendments, and for confirmation that Shareholders are not prejudiced by the Performance Participation Amendments.

Responsibility

Compliance with the Listings Requirements is the responsibility of the Board. Our responsibility is to report on the fairness of the Proposed Amendments.

Explanation as to how the term “fair” applies in the context of the Proposed Amendments

Schedule 5.7 of the Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. A transaction will typically be considered fair to a company’s shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value ceded by a company.

As the nature of the amendments do not entail the acquisition or disposal of an asset, but rather amendments to existing arrangements, a value cannot be attributed to the Proposed Amendments as would be done for a business, i.e. a discounted cash flow valuation. Consequently, we have given due consideration to whether the terms of the Proposed Amendments are fair in the circumstances as if ARC Investments and the related party were dealing at arm’s length, i.e. whether the terms of the Proposed Amendments are on normal commercial terms and are not prejudicial to the interests of ARC Investments and its Shareholders.

The amended Management Fee would be considered fair to Shareholders if the amended Management Fee is the same as or more favourable to ARC Investments than market-related terms and conditions and the current Management Fee.

The amended Performance Participation would be considered fair to Shareholders if the amended Performance Participation is the same as or more favourable to ARC Investments than the current Performance Participation.

Details of information and sources of information

In arriving at our opinion, we have considered the following principal sources of information:

- The draft circular to ARC Investments Shareholders in respect of the Proposed Amendments to be issued on or about 18 October 2022 (“Circular”);
- ARC Investments pre-listing statement dated 28 August 2017 (“Pre-Listing Statement”);
- The Partnership Agreement;
- The Constitution;
- Addendum to the Partnership Agreement;
- Market related industry mark-up on costs extracted from Bureau van Dijk’s Orbis database;
- Calculations performed by the executive management of ARC Investments in respect of the Performance Participation before and after the Performance Participation Amendments, titled “Performance Participation – Model”, for the financial year ended 30 June 2022;
- Discussions with the executive management of ARC Investments and its advisors regarding the rationale for the Proposed Amendments;
- Publicly available information relating to the financial services industry; and
- Comparative analysis in respect of the arm’s length nature of the Proposed Amendments.

The information above was secured from:

- Certain directors and executive management of ARC Investments and its advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing ARC Investments.

Procedures and consideration

In arriving at our opinion, we have performed the following procedures/ have given due consideration to the following factors:

- Reviewed the terms and conditions of the Proposed Amendments;
- Performed a comparison of the current Management Fee payable to the Management Fee payable under the Addendum to the Partnership Agreement;

ANNEXE D

REPORT OF THE INDEPENDENT EXPERT

- The rationale for entering into the Proposed Amendments and the process which was undertaken in arriving at the terms and conditions of the Proposed Amendments, i.e. the basis for determining the Management Fee Amendments and the Performance Participation Amendments.
- In assessing whether the Management Fee Amendments are fair we compared:
 - The Management Fee payable to the General Partner under the Partnership Agreement to the Management Fee payable to the General Partner under the Addendum to the Partnership Agreement; and
 - The Management Fee payable to the General Partner under the Addendum to the Partnership Agreement to market-related management fees.
- In assessing whether the Performance Participation Amendments are fair we compared:
 - The terms and conditions of the conversion of C Shares to Ordinary Shares under the Constitution and the conversion of C Shares to Ordinary Shares under the proposed amendments to the Constitution.
- Where relevant, representations made by executive management and/or directors of ARC Investments were corroborated to source documents, or independent analytical procedures were performed by us, to examine and understand the investment holding industry, and to analyse external factors that could influence the Proposed Amendments.

Assumptions

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be concluded in terms of the Proposed Amendments will be legally enforceable; and
- That the Proposed Amendments will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of ARC Investments.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by determining the extent to which representations from executive management of ARC Investments were confirmed by documentary evidence.

Limiting conditions

This opinion is provided in connection with and for the purposes of the Proposed Amendments. The opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders.

Individual Shareholder's decisions regarding the Proposed Amendments may be influenced by such Shareholder's particular circumstances and accordingly, individual Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Proposed Amendments.

We have been neither a party to the negotiations entered into in relation to the Proposed Amendments nor have we been involved in the deliberations leading up to the decision on the part of the Board to enter into the Proposed Amendments.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Amendments. All such evaluations, advice, judgements or comments remain the sole responsibility of the Board and their advisors. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of Shares, B Shares and C Shares. We do not express any view as to the price at which Shares, B Shares and C Shares may trade nor on the future value, financial performance or condition of ARC Investments.

It is also not within our terms of reference to compare the merits of the Proposed Amendments to any alternative arrangements that were or may have been available to ARC Investments. Such comparison and consideration remain the responsibility of the Board and their advisors.

Independence

We confirm that we have no direct or indirect interest in the share capital of ARC Investments. We also confirm that we have the necessary qualifications and competence to provide the fairness opinion on the Proposed Amendments.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the successful implementation of the Proposed Amendments.

Evaluation of the proposed entry into the Proposed Amendments

In reaching our conclusion in respect of the fairness of the Proposed Amendments, we have given due consideration to:

ANNEXE D

REPORT OF THE INDEPENDENT EXPERT

Rationale for entering into the Proposed Amendments

We have considered the rationale for the Proposed Amendments included in section 3.5 of the Circular.

Comparison of the Management Fee payable to the General Partner under the Partnership Agreement to the Management Fee payable to the General Partner under the Addendum to the Partnership Agreement

If the Management Fee Amendments had been applied to the 2022 financial year, the Management Fee would have been approximately R90 million, instead of approximately R225 million actually paid. This equates to a potential saving of approximately R135 million.

Comparison of the Management Fee payable to the General Partner under the Addendum to the Partnership Agreement to market-related management fees

An “internal comparable” within a transfer pricing context can be defined as “a comparable transaction between one party to the related party transaction and an independent party”. The Organisation for Economic Co-operation and Development Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (Chapter VII, B.2.3.2, paragraph 7.35) states that “in an arm’s length transaction, an independent enterprise normally would seek to charge for services in such a way as to generate profit, rather than providing the services merely at cost”.

In assessing the fairness of the Management Fee Amendments, we performed a benchmarking study to establish an arm’s length range of net cost-plus mark-ups of companies providing broadly comparable services. The full cost mark-up range for the final set of comparable companies was between c.1.0% and c.16.3%, with the median being 4.4%. The proposed cost-plus mark-up falls within the arm’s length range.

Comparison of the conversion of C Shares to Ordinary Shares under the Constitution to conversion of C Shares to Ordinary Shares under the proposed amendments to the Constitution

Under the existing Constitution and based on a 14.7% return on Invested NAV in the 30 June 2022 financial year, the Performance Participation would be approximately R273 million, This would result in C. 27.0 million C Shares being converted into Ordinary Shares.

If the Performance Participation Amendments are applied to the 30 June 2022 financial year, and assuming the same 14.7% return on the ARC Fund’s NAV, the Performance Participation would be approximately R87 million. This would result in c. 8.7 million C Shares being converted into Ordinary Shares.

In assessing the fairness of the Performance Participation Amendments, we considered the dilutionary effect of the C Shares conversion. The amended Performance Participation, which has c.67.8% less dilutionary impact on minority shareholders, is more favourable to ARC Investments than the current Performance Participation.

Opinion

BDO Corporate Finance has considered the terms and conditions of the Management Fee Amendments and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Management Fee Amendments are fair to Shareholders.

BDO Corporate Finance has considered the terms and conditions of the Performance Participation Amendments and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Performance Participation Amendments are fair to Shareholders.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us up to Tuesday, 4 October 2022 (the “Last Practicable Date”). We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Last Practicable Date that may affect our opinion or factors or assumptions contained herein.

We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Proposed Amendments have been fulfilled 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.

N Lazanakis CA (SA)
BDO Corporate Finance Proprietary Limited
Wanderers Office Park
52 Corlett Drive
Illovo
2196

ANNEXE E

AMENDMENTS TO THE PARTNERSHIP AGREEMENT

The following definitions are included in the Partnership Agreement:

“Effective Date”	- notwithstanding the date of signature of this Addendum, and subject to the fulfilment of the Suspensive Condition, 1 July 2022;
“Effective Surviving Provisions”	- the provisions of clause 2 (Definitions and interpretation), 3.4 and 3.5 (Suspensive Condition) and 7 (Miscellaneous);
“General Partner”	- UBI General Partner Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 2016/224337/07;
“GP Fee”	- the fee payable by the Partnership to the General Partner pursuant to clause 6 of the Partnership Agreement;
“Investor”	- African Rainbow Capital Investments Limited, registration number C148430, a public company incorporated in accordance with the laws of Mauritius holding a Global Business License (number: C117017321) the shares of which are expected to trade publicly on the JSE;
“Partnership”	- the ARC Fund, being the en commandite partnership established and governed by the Partnership Agreement; and
“Partnership Agreement”	- the en commandite partnership agreement of the Partnership, dated 22 August 2017 as amended.

With retrospective effect from 1 July 2022 and subject to the Suspensive Condition that the shareholders of the Investor (being the Shareholders of ARC Investments) approve the Resolutions set out in the Notice of General Meeting attached to this Circular, clause 6 of the Partnership Agreement is hereby replaced in its entirety with the following:

“6. GP Fee

6.1 With effect from the Commencement Date, the General Partner shall be entitled to receive the GP Fee from the Partnership, which will constitute an Operating Expense of the Partnership.

6.2 The GP Fee shall be calculated Half Yearly in arrears and paid in cash or in any other manner agreed between the Partners in writing.

6.3 The GP Fee shall with effect from 1 July 2022 be an amount equal to the lower of:

6.3.1 the amount which would have been payable in respect of the relevant Half Year had the method of calculating the GP Fee which applied prior to 1 July 2022 continued to apply; and

6.3.2 the actual costs incurred by the General Partner in the relevant Half Year in respect of the management of the Partnership and its Investments, (including for avoidance of doubt the investment services fee payable by the General Partner to ARC in terms of the Investment Services Agreement) plus a 5% mark-up thereon (plus VAT),

in either such case reduced by any Creditable Fees received during the relevant Half Year, provided that in no event shall the GP Fee be less than zero. Any Partner may require a review of the mark-up percentage at any time and from time to time, in which event the appropriate mark-up will be discussed between the Partners and any amendment to the mark-up percentage shall be agreed in writing.

6.4 After the end of each Half Year, the General Partner shall calculate the GP Fee for that Half Year in accordance with clause 6.2, and shall issue an invoice for the GP Fee (with a copy to the Investor) within 90 days of the end of the Half Year. The Partnership shall pay the GP Fee to the General Partner within five Business Days of the date of the invoice, or such longer period as may be agreed between the Partners in writing. Any late payment of the GP Fee shall bear interest thereon at the Prime Rate plus 2%.

6.5 To the extent that any Creditable Fees for any Half Year are greater than the GP Fee payable by the Partnership for such Half Year, the excess Creditable Fees shall be carried forward to the next Half Year and shall reduce the GP Fee payable in such Half Year. If, as at the termination of the Partnership, any Creditable Fees that would otherwise have reduced the GP Fee payable by the Partnership have not been offset against the GP Fee, an amount equal to such Creditable Fees shall be paid to the Partnership.

6.6 As used in this Agreement, the term **“Creditable Fees”** for any Half Year shall mean an amount equal to 100% of any:

6.6.1 directors' fees, monitoring fees, consulting fees and/or advisory fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing from or on behalf of a Portfolio Company in which the Partnership had an Investment during such Half Year;

ANNEXE E

AMENDMENTS TO THE PARTNERSHIP AGREEMENT

6.6.2 **“break-up”** or similar fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing in respect of a proposed Investment that does not close; and

6.6.3 transaction fees, investment banking fees, underwriting fees or other similar fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing from or on behalf of a Portfolio Company,

it being understood and agreed that: (i) in determining the amount of the Creditable Fees for any Half Year commencing during the term of the Partnership, the total amount of fees referred to in clauses 6.6.1, 6.6.2 and 6.6.3 above received during such Half Year shall be reduced (without any duplication) by any unreimbursed expenses (stated in Rand) incurred by the General Partner, any of its Associates or any employees of any of the foregoing as of the end of such Half Year that are reimbursable by the Partnership as Operating Expenses in respect of all transactions involving proposed Investments which have been abandoned as of the end of such Half Year; and (ii) any fees received by any Person directly or indirectly in relation to any Investment or proposed Investment in respect of a co-investor or potential co-investor shall not be Creditable Fees.

6.7 The GP Fee for the last Half Year of the term of the Partnership shall be computed on a pro rata basis for such period (based on the number of days in such period).

6.8 If a dispute arises as to the amount of the GP Fee, the dispute may be referred by any Partner to an independent third party agreed upon by the Partners in writing and failing such agreement appointed by the Auditors for expedited resolution (“Independent Third Party”). The Independent Third Party shall be entitled to make such further or other adjustments as may in the circumstances appear to it to be appropriate and its decision shall be regarded as the decision of an expert and not of an arbitrator and shall in the absence of the manifest error be final and binding upon the parties. The Independent Third Party’s costs shall be borne by such party (including the Partnership) to the dispute as the Independent Third Party may, in its discretion, determine, provided such costs are reasonable and duly evidenced.

6.9 For reference purposes, the method of calculating the GP Fee prior to 1 July 2022 is as set out in Annexe A.

“Method of calculating the GP Fee prior to 1 July 2022”

6. GP Fee

6.1 With effect from the Commencement Date, the General Partner shall be entitled to receive a GP Fee from the Partnership, which will constitute an Operating Expense of the Partnership. The GP Fee shall be due and payable Half-Yearly in arrears and shall be paid in cash or in any other manner agreed between the Partners in writing.

6.2 The GP Fee shall be calculated and paid for the duration of the Partnership in respect of each Half Year as:

6.2.1 a fund management fee of:

6.2.1.1 where the Opening Invested NAV is below R10 billion, 1.75% per annum on the average of the Opening Invested NAV and Closing Invested NAV of that Half Year;

6.2.1.2 where the Opening Invested NAV is between R10 billion and R15 billion, the higher of the amount determined in terms of clause 6.2.1.1 and 1.5% on the average of the Opening Invested NAV and Closing Invested NAV of that Half Year;

6.2.1.3 where the Opening Invested NAV is above R15 billion, 1.25% on the average of the Opening Invested NAV and Closing Invested NAV of that Half Year; plus

6.2.2 a cash management fee of 0.25% per annum on the average of the opening and closing balance of the Cash Management Investments of that Half Year, reduced by any Creditable Fees received during the relevant Half Year, provided that in no event shall the GP Fee be less than zero.

6.3 The GP Fee for the first Half Year following the Commencement Date and the last Half Year of the term of the Partnership shall be computed on a pro rata basis for such period (based on the number of days in such period).

6.4 After the end of each Half Year, the General Partner shall calculate the GP Fee for that Half Year in accordance with clause 6.2 on the basis of the Opening Invested NAV and opening balance of the Operating Reserves of that Half Year, and shall issue an invoice for the GP Fee (with a copy to the Investor) within 90 days of the end of the Half Year. The Partnership shall pay the GP Fee to the General Partner within five Business Days of the date of the invoice, or such longer period as may be agreed between the Partners in writing, provided that in the event that the General Partner is removed pursuant to clause 11.4 and the Removal Date is not the last day of a Half Year, the GP Fee for the period between the start of such Half Year and the Removal Date shall be computed on a pro rata basis for such period, based on the number of

ANNEXE E

AMENDMENTS TO THE PARTNERSHIP AGREEMENT

days elapsed, and the General Partner shall refund to the Partnership on the Removal Date the portion of the GP Fee for which it has been overpaid. Any late payment of the GP Fee shall bear interest thereon at the Prime Rate plus 2%.

6.5 To the extent that any Creditable Fees for any Half Year are greater than the GP Fee payable by the Partnership for such Half Year, the excess Creditable Fees shall be carried forward to the next Half Year and shall reduce the GP Fee payable in such Half Year. If, as at the termination of the Partnership, any Creditable Fees that would otherwise have reduced the GP Fee payable by the Partnership have not been offset against the GP Fee, an amount equal to such Creditable Fees shall be paid to the Partnership.

6.6 As used in this Agreement, the term **“Creditable Fees”** for any Half Year commencing during the term of the Partnership shall mean an amount equal to 100% of any:

6.6.1 directors' fees, monitoring fees, consulting fees and/or advisory fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing from or on behalf of a Portfolio Company in which the Partnership had an Investment during such Half Year;

6.6.2 **“break-up”** or similar fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing in respect of a proposed Investment that does not close; and

6.6.3 transaction fees, investment banking fees, underwriting fees or other similar fees (stated in Rand) received during such Half Year by the General Partner, any of its Associates and/or any employees of any of the foregoing from or on behalf of a Portfolio Company, it being understood and agreed that: (i) in determining the amount of the Creditable Fees for any Half Year commencing during the term of the Partnership, the total amount of fees referred to in clauses 6.6.1, 6.6.2 and 6.6.3 above received during such Half Year shall be reduced (without any duplication) by any unreimbursed expenses (stated in Rand) incurred by the General Partner, any of its Associates or any employees of any of the foregoing as of the end of such Half Year that are reimbursable by the Partnership as Operating Expenses in respect of all transactions involving proposed Investments which have been abandoned as of the end of such Half Year; and (ii) any fees received by any Person directly or indirectly in relation to any Investment or proposed Investment in respect of a co-investor or potential co-investor shall not be Creditable Fees.

6.7 In the event of any dispute arising as to the amount of the GP Fee, the dispute shall be referred to the Auditors for resolution. The Auditors shall be entitled to make such further or other adjustments as may in the circumstances appear to them to be appropriate and their decision shall be regarded as the decision of an expert and not of an arbitrator and shall be final and binding upon the parties. The Auditors' costs shall be borne by such party (including the Partnership) to the dispute as the Auditors may, in their discretion, determine, provided such costs are reasonable and duly evidenced.

ANNEXE F

AMENDMENTS TO THE INVESTMENT SERVICES AGREEMENT

With retrospective effect from 1 July 2022, being the "Commencement Date" for purposes of the Investment Services Agreement, the following salient amendments will be made to the Investment Services Agreement:

"7. Services Fee"

- 7.1 *With effect from the Commencement Date, ARC shall be entitled, as compensation for the services to be provided by it under this Agreement, to receive the Services Fee from the General Partner. The General Partner shall pay the Services Fee to ARC within five Business Days of receipt of the invoice.*
- 7.2 *The Services Fee shall be a proportionate share of the total expenses of the UBI Group in respect of the management and administration of the UBI Entities, plus VAT, where applicable. The Services Fee shall be determined Half-Yearly in arrears in accordance with the terms of Schedule A.*
- 7.3 *If any Services Fee or part thereof is not paid on the due date for payment, the amount outstanding shall accrue interest at a rate equal to the Prime Rate plus 2%.*

"Schedule A - Determination of the Services Fee"

1. *Costs directly attributable to the Partnership or any other particular UBI Entity will be allocated by ARC to the ARC Fund or such other UBI Entity, as applicable.*
2. *Costs relating to more than one UBI Entity will be attributable to those UBI Entities in proportions determined with regard to time spent by relevant UBI Group personnel on work relating to the UBI Entities concerned, and other relevant criteria.*
3. *In the case of costs relating to African Rainbow Capital Financial Services Holdings Proprietary Limited and ARC Financial Services Investments Proprietary Limited and their direct and indirect subsidiaries, only that proportion of those costs which equals the proportionate direct or indirect, as the case may be, interest of the Partnership in the relevant UBI Entity will be allocated to the Partnership.*
4. *After the end of each Half Year, ARC shall calculate and submit to the General Partner for its approval the costs attributable to the Partnership for that Half Year in accordance with clause 7.2 of the Agreement and items 1, 2 and 3 above (and consequently its calculation of the amount of the Services Fee for that Half Year), and shall, following receipt of written approval thereof from the General Partner, issue an invoice for the Services Fee to the General Partner. The General Partner shall pay the Services Fee to ARC within five Business Days of the Partnership paying the GP Fee.*
5. *At the same time as ARC submits to the General Partner its calculation of the amount of the Services Fee for a Half Year, ARC shall also calculate and submit to the General Partner for its approval the Creditable Fees (as defined in the Partnership Agreement) in respect of that Half Year to enable the General Partner to calculate the GP Fee for that Half Year, in accordance with clause 6 of the Partnership Agreement.*
6. *If ARC and the General Partner are unable to agree on any matter requiring the General Partner's approval in terms of this Schedule A, the dispute may be referred by either of them to an independent third party agreed upon by them in writing and failing such agreement appointed by ARC's auditors for the time being, for expedited determination ("**Independent Third Party**"). The Independent Third Party shall be entitled to make such further or other adjustments as may in the circumstances appear to it to be appropriate and its decision shall be regarded as the decision of an expert not of an arbitrator, and shall in the absence of manifest error be final and binding upon AR and the General Partner. The Independent Third Party's costs shall be borne by such party to the dispute as the Independent Third Party may, in its discretion, determine, provided such costs are reasonable and duly evidenced.*

ANNEXE G

AMENDED TERMS OF THE C SHARES

Paragraph 3 of Schedule 1 of the Constitution will be replaced in its entirety with the following:

3. C Shares

5,000,000,000 automatically convertible no par value shares designated as "C Shares", to which the preferences, rights, limitations and other terms set out in this paragraph 3 attach.

3.1 definitions

3.1.1 In this paragraph 3.1.1, the following words shall, unless otherwise stated or where inconsistent with the context in which they appear, bear the following meanings and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings:

3.1.1.1 **"Adjusted Growth in ARC Fund NAV%"** means the percentage increase in ARC Fund NAV for a Performance Period, adjusted for the Performance Participation which is calculated in accordance with the following formula:

$$\text{AGiNAV\%} = (A - B + C) \div (D - E + F)$$

where:

AGiNAV% the Adjusted Growth in ARC Fund NAV% for a Performance Period;

A the Growth in ARC Fund NAV;

B the amount (if any) in ZAR contributed to the ARC Fund by its partners during the Performance Period concerned, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money;

C the amount (if any) in ZAR distributed by the ARC Fund to its partners during the Performance Period concerned, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money;

D the previous highest ARC Fund NAV, as recorded as at the Listing Date or at the end of any particular previous Performance Period;

E the amounts (if any) in ZAR contributed to the ARC Fund by its partners during any prior Performance Period/s since the previous the previous highest ARC Fund NAV as recorded as at the Listing Date or at the end of any particular previous Performance Period, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money; and

F the amounts (if any) in ZAR distributed by the ARC Fund to its partners during any prior Performance Period/s since the previous highest ARC Fund NAV as recorded as at the Listing Date or at the end of any particular previous Performance Period, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money;

3.1.1.2 **"ARC Fund"** means an *en commandite* partnership established in South Africa and governed by the Partnership Agreement;

3.1.1.3 **"ARC Fund Investment"** means the investment in the ARC Fund made by the Company as the Limited Partner;

3.1.1.4 **"ARC Fund NAV"** means the intrinsic NAV of the ARC Fund as at the end of a Performance Period, determined in ZAR in accordance with the valuation approach set out in Annex A to the Pre-listing Statement and as disclosed in the Company's audited annual financial statements in respect of that Performance Period;

3.1.1.5 **"Closing ARC Fund NAV"** means the ARC Fund NAV at close of business on the last day (other than a Saturday, Sunday or official public holiday in the Republic of South Africa) of a Performance Period;

3.1.1.6 **"Company NAV"** means the net asset value of the Company as set out in the Company's audited annual financial statements in respect of the relevant Performance Period;

3.1.1.7 **"Fund Management Fee"** means in relation to the ARC Fund, the management fee calculated in terms of the Partnership Agreement and paid or payable to the General Partner;

3.1.1.8 **"General Partner"** means UBI General Partner Proprietary Limited registration number 2016/224437/07, a private company incorporated in accordance with the company laws of the Republic of South Africa, in its capacity as the general partner of the ARC Fund, or such other entity as may be appointed in accordance with the provisions of the Partnership Agreement;

3.1.1.9 **"Growth in ARC Fund NAV"** means the increase in ARC Fund NAV for a Performance Period determined in ZAR in accordance with the following formula:

$$\text{GiNAV} = (A - B + C) - (D - E + F)$$

where:

GiNAV the Growth in ARC Fund NAV for the Performance Period concerned;

A the Closing ARC Fund NAV for the Performance Period concerned;

B the amount (if any) in ZAR contributed to the ARC Fund by its partners during the Performance Period concerned, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money;

ANNEXE G

AMENDED TERMS OF THE C SHARES

- C the amount (if any) in ZAR distributed by the ARC Fund to its partners during the Performance Period concerned, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money;
- D the previous highest ARC Fund NAV, as recorded as at the Listing Date or at the end of any previous Performance Period;
- E the amounts (if any) in ZAR contributed to the ARC Fund by its partners during any prior Performance Period/s since the previous highest ARC Fund NAV as recorded as at the Listing Date or at the end of any particular previous Performance Period, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money; and
- F the amounts (if any) in ZAR distributed by the ARC Fund to its partners during any prior Performance Period/s since the previous highest ARC Fund NAV as recorded as at the Listing Date or at the end of any particular previous Performance Period, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money;
- 3.1.1.10 **“Growth in ARC Fund NAV%”** means the percentage increase in ARC Fund NAV for a Performance Period, determined in accordance with the following formula:
- GiNAV% = (A ÷ [B - C + D]) x 100**
- where:
- GiNAV% the Growth in ARC Fund NAV% to be calculated for the Performance Period concerned;
- A the Growth in ARC Fund NAV for the Performance Period concerned; and
- B the previous highest ARC Fund NAV, as recorded as at the Listing Date or at the end of any previous Performance Period;
- C the amounts (if any) in ZAR contributed to the ARC Fund by its partners during any prior Performance Period/s since the previous highest ARC Fund NAV, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money; and
- D the amounts (if any) in ZAR distributed by the ARC Fund to its partners during any prior Performance Period/s since the previous highest ARC Fund NAV, adjusted in the manner contemplated in the worked examples in Schedule 2 for the time value of money;
- 3.1.1.11 **“Johannesburg Stock Exchange”** means the exchange operated by the JSE and licensed as an exchange under the Financial Markets Act 19 of 2012 of the Republic of South Africa, as amended;
- 3.1.1.12 **“JSE”** means JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the company laws of the Republic of South Africa;
- 3.1.1.13 **“Limited Partner”** means a commanditarius partner of the ARC Fund;
- 3.1.1.14 **“Listing Date”** means the date on which the Ordinary Shares are listed on the Main Board of the Johannesburg Stock Exchange;
- 3.1.1.15 **“Listings Requirements”** means the listings requirements issued by:
- 3.1.1.15.1 the JSE under the Financial Markets Act 19 of 2012 of the Republic of South Africa to be observed by issuers of equity securities on the Johannesburg Stock Exchange, as amended from time to time; or
- 3.1.1.15.2 such other recognised stock exchange on which the Ordinary Shares of the Company may be listed from time to time;
- 3.1.1.16 **“Opening ARC Fund NAV”** means the ARC Fund NAV at the beginning of the first day (other than a Saturday, Sunday or official public holiday in the Republic of South Africa) of a Performance Period;
- 3.1.1.17 **“Partnership Agreement”** means the partnership agreement concluded on or about 22 August 2017, establishing and governing the ARC Fund, as amended from time to time;
- 3.1.1.18 **“Performance Hurdle”** means 10 per cent. per annum (nominal annual compounded annually);
- 3.1.1.19 **“Performance Participation”** means the performance participation for the Performance Period concerned, calculated in accordance with the provisions of paragraph 3.3.1;
- 3.1.1.20 **“Performance Participation Conversion Date”** means the date on which the Board determines the Performance Participation for a Performance Period;
- 3.1.1.21 **“Performance Participation Payment Date”** means a recurring, discreet one year period corresponding to the financial year of the Company as at the Listing Date, provided that the first Performance Period shall start on the Listing Date and end on the last day of that financial year;
- 3.1.1.22 **“Performance Period”** means a financial year of the Company, provided that the first Performance Period shall start on the Listing Date and end on the last day of the financial year of the Company following the Listing Date; and
- 3.1.1.23 **“Pre-listing Statement”** means the pre-listing statement in respect of the Company issued on or about Monday, 28 August 2017.
- 3.1.2 Except as defined in paragraph 3.1.1 of this Schedule 1 or as expressly provided otherwise, capitalised words and phrases used in this paragraph 1 shall have the same meanings as defined in the constitution of the Company.

ANNEXE G

AMENDED TERMS OF THE C SHARES

3.2 general

The following preferences, rights, limitations and other terms attach to the C Shares:

- 3.2.1 the right to be entered in the Share Register of the Company as the registered C Shareholder;
- 3.2.2 the right to receive notice of all meetings of the Ordinary Shareholders and to attend, participate in and speak (in person or by proxy) at such meetings of the Ordinary Shareholders;
- 3.2.3 the right to Performance Participation for each Performance Period in accordance with the provisions of paragraph 3.3;
- 3.2.4 the right to vote in accordance with the provisions of paragraph 3.4; and
- 3.2.5 the right to compulsorily and automatically convert into Ordinary Shares in accordance with the provisions of paragraph 3.5.

3.3 Performance Participation

- 3.3.1 The C Shares shall, until they are all converted in accordance with their terms and provided that the Growth in ARC Fund NAV% exceeds the Performance Hurdle for the relevant Performance Period, entitle the C Shareholder to a Performance Participation in respect of each Performance Period calculated as follows:

$$PP = A \times 16\%$$

where:

PP is the Performance Participation to be paid by the Company to the C Shareholder; and

A Growth in ARC Fund NAV above the Performance Hurdle,

provided that in no event shall the Performance Participation be less than zero

Worked examples of the calculation of the Performance Participation are attached hereto as Schedule 2.

- 3.3.2 The Board shall determine each Performance Participation by no later than 30 days after the end of the Performance Period concerned.
- 3.3.3 Each Performance Participation shall be paid by the Company to the C Shareholder by no later than the relevant Performance Participation Conversion Date, in the manner set out in paragraph 1.6.
- 3.3.4 The C Shares shall, on a winding-up, liquidation or any other return of capital by the Company, confer on the C Shareholder the right to receive in full out of the assets of the Company, in priority before any provision for, or payment of, any distribution on any other class of Share of the Company an amount equal to the accrued, but unpaid, Performance Participation calculated as at the day (other than a Saturday, Sunday or an official public holiday in the Republic of South Africa) before date of such event.
- 3.3.5 Except as provided in this paragraph 3.3, the C Shares do not confer on the C Shareholder any right to participate in the profits or in any other distribution of the assets or capital of the Company.

3.4 voting

- 3.4.1 The C Shareholder shall only be entitled to vote (either in person or by proxy) on any proposed amendment to the preferences, rights, limitations and/or other terms associated with the C Shares. **[para 10.5(c) of schedule 10 of the Listings Requirements]**
- 3.4.2 The C Shareholder shall be entitled, subject to the provisions of paragraph 3.7, to exercise one vote in respect of each resolution relating to a matter contemplated in paragraph 3.4.1 at a separate meeting of the C Shareholder called for that purpose.

3.5 issue and transferability

- 3.5.1 All of the C Shares must be issued at the same time to Ubuntu-Botho Investments Proprietary Limited, registration number 2004/002569/07, a private company incorporated in accordance with the company laws of the Republic of South Africa.
- 3.5.2 The C Shares shall not be transferable by the C Shareholder, except to the Company.

3.6 conversion

- 3.6.1 Subject to paragraph 3.6.2 below, on each Performance Participation Conversion Date a number of C Shares shall compulsorily and automatically convert into Ordinary Shares (on a one-for-one basis) in accordance with the following formula:

$$NoCS = A/B$$

where:

NoCS the number of C Shares that will convert into Ordinary Shares, provided that any fraction of a share shall be dealt with in accordance with the Listings Requirements;

A the Performance Participation for the Performance Period concerned, calculated in terms of paragraph 3.3; and

B the Company NAV per issued Ordinary Share at the end of the Performance Period.

ANNEXE G

AMENDED TERMS OF THE C SHARES

3.6.2 If the Performance Participation in respect of a Performance Period is zero, then no C Shares will convert into Ordinary Shares in respect of that Performance Period.

3.6.3 In the event of a corporate restructuring or other corporate action in respect of the Company (other than a repurchase of any or all of the C Shares by the Company) which will alter the capital structure of the Company, the number of Ordinary Shares into which the C Shares shall compulsorily and automatically convert as contemplated in paragraph 3.6.1 above, shall be adjusted to place the C Shareholder in the same position that it would have been in had such event/s not occurred.

3.7 amendments to the C Share terms

3.7.1 Subject to the provisions of paragraph 3.7.2, the preferences, rights, limitations and other terms attaching to the C Shares may only be amended with the prior written consent of the C Shareholder or if approved by an affirmative vote of the C Shareholder as contemplated in paragraph 3.4.1, in accordance with the provisions of section 114 of the Companies Act. **[para 10.5(d) of schedule 10 of the Listings Requirements]**

3.7.2 Any increase in the number of C Shares must be approved by the holders of the Ordinary Shares (other than the holder of the C Shares and any Related Party of the holder of the C Shares) by means of a Special Resolution.

Schedule 2 of the Constitution is replaced in totality with the following:

Worked Example of Performance Participation

The examples set out below and any assumptions therein have been included for illustrative purposes only and should not be construed to amount to a forecast or forward looking projection of future performance.

<i>R million unless otherwise stated</i>	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Opening NAV	-	1,000	3,000	4,000	3,500	3,000	5,400	5,400	5,400	6,650	5,900
Capital inflows	1,000	1,000	-	-	-	1,000	-	-	-	-	-
Capital Growth (net of Management Fee)		1,000	1,000	(500)	(500)	1,400	1,000		2,000		
NAV after Management Fees	1,000	3,000	4,000	3,500	3,000	5,400	6,400	5,400	7,400	6,650	5,900
Dividends	-	-	-	-	-	-	1,000	-	750	750	-
Closing NAV	1,000	3,000	4,000	3,500	3,000	5,400	5,400	5,400	6,650	5,900	5,900
NAV adjusted for capital flows	-	3,000	4,000	3,500	3,000	5,400	5,400	5,400	6,650	5,900	5,900
Capital flows during the Performance Period	-	(1,000)	-	-	-	(1,000)	-	-	-	-	-
Closing Adjusted NAV	-	2,000	4,000	4,500	3,000	4,400	5,400	5,400	6,650	5,900	5,900
Closing NAV	1,000	3,000	4,000	3,500	3,000	5,400	5,400	5,400	6,650	5,900	5,900
Time weighted adjustments		(8)	-	-	-	(578)	1,000	-	(253)	(253)	-
Time weighted Closing NAV		2,992	4,000	3,500	3,000	4,822	6,400	5,400	6,903	6,153	5,900
Maximum Performance Participation	1,000	1,992	3,000	4,000	4,000	4,433	5,400	5,400	4,903	6,153	5,900
Growth in NAV		2,190.96	3,300	4,400	4,400	4,864.11	5,940	5,940	5,393.01	6,768.01	6,490
Performance Participation		128.13	112	-	-	-	73.60	-	241.56	-	-
Number of issued Shares (million)	10,000	10,000	10,427	10,719	10,719	10,719	10,865	10,865	10,865	11,260	11,260
NAV per Share (cents)	0.10	0.30	0.38	0.33	0.28	0.50	0.50	0.50	0.61	0.52	0.52
C Shares to be issued (million)	-	427	292	-	-	-	146	-	395	-	-



AFRICAN RAINBOW CAPITAL INVESTMENTS LIMITED
(Incorporated in the Republic of Mauritius)
(Company number: C148430)
JSE and A2X share code: AIL
ISIN: MU0553S00000
("ARC Investments")

NOTICE OF GENERAL MEETING ("NOTICE")

The definitions commencing on page 8 of the Circular to which this Notice is attached apply, mutatis mutandis, to this Notice (unless the context indicates otherwise).

If you are in any doubt as to what action you should take in respect of the General Meeting and/or the following Resolutions, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given to Shareholders, as at the Voting Record Date, that the General Meeting will be virtually on Tuesday, 15 November 2022 immediately following the Fourth Annual General Meeting of ARC Investments commencing at 13:00 South African time (15:00 Mauritian time) on Tuesday, 15 November 2022. Shareholders are referred to the "Action required by Shareholders" section of the Transaction Circular for information on the procedure to be followed by Shareholders in order to participate and to exercise their votes at the General Meeting.

The purpose of the General Meeting is to:

- deal with such business as may lawfully be dealt with at the General Meeting; and
- consider and, if deemed fit, pass, with or without modification, the Resolutions set out hereunder in the manner required by the Mauritian Companies Act as read with the JSE Listings Requirements and the Constitution.

Salient Dates

The Board has determined, in accordance with the JSE Listings Requirements, the salient dates for the General Meeting are as follows:

Activity	Date
Record date to receive this Notice	Friday, 7 October 2022
Last day to trade to be recorded in the Register	Tuesday, 1 November 2022
Record date to participate in and vote at the General Meeting	Friday, 4 November 2022
Last day to lodge Forms of Proxy for the General Meeting by 13:00 South African time (15:00 Mauritian time)	Friday, 11 November 2022
General Meeting held immediately following the conclusion of the ARC Investments Annual General Meeting commencing at 13:00 South African time (15:00 Mauritian time)	Tuesday, 15 November 2022
Results of General Meeting released on SENS and the A2X News Services	Tuesday, 15 November 2022

Virtual Meeting

The General Meeting will be held entirely by way of electronic communication in accordance with the provisions of the Fifth Schedule of the Mauritian Companies Act and the JSE Listings Requirements.

ARC Investments has appointed the Transfer Secretaries for purposes of hosting the General Meeting entirely by way of electronic communication and, in particular, for the Transfer Secretaries to provide ARC Investments and the Shareholders with access to its Meeting Platform for purposes of enabling all of the Shareholders, that are present at the General Meeting, to communicate concurrently with each other, without an intermediary, and to participate reasonably effectively in the General Meeting and exercise their voting rights at the General Meeting. Accordingly, references in this Circular to "attend", "participate", "present" or similar words when used in the context of the General Meeting means being able to attend or be present or participate by means of electronic participation.

None of ARC Investments, the Transfer Secretaries or any third-party service provider appointed in order to facilitate the General Meeting by electronic means can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime,

internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the General Meeting.

Although voting will be permitted by way of electronic communication at the General Meeting, Shareholders are encouraged to make use of proxies for purposes of voting at the General Meeting in accordance with the instructions contained in the Form of Proxy.

Shareholders who wish to participate should register at www.meetnow.global/za or send a request by email to proxy@computershare.co.za. Those who wish to submit any questions relating to the business set out in the detailed notice, are requested to contact the company secretary, Toorisha Nakey at arci@intercontinentaltrust.com or, alternatively, on +230 403 0800 as soon as possible, but by not later than 13:00 South African time (15:00 Mauritian time) on Friday, 11 November 2022.

Following the meeting, Shareholders may request the minutes thereof (including responses to questions and any presentation materials) from arci@intercontinentaltrust.com or, alternatively, on +230 403 0800.

ARC Investments does 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 Shareholder to notify the holder of any beneficial interest in those Shares of the General Meeting or any other matter set out in this Circular.

ORDINARY RESOLUTION NUMBER 1: APPROVAL OF THE AMENDMENTS TO THE MANAGEMENT FEES CONTAINED IN THE PARTNERSHIP AGREEMENT

“RESOLVED THAT, subject to the approval of Special Resolution Number 1, ARC Investments be and is hereby authorised, for purposes of paragraph 10.4(d) of the JSE Listings Requirements, to enter into the addendum to the Partnership Agreement made available for inspection and the amendments contained therein regarding the Management Fee and the consequential changes resulting therefrom are approved.”

Percentage of voting rights required

The percentage of voting rights required for this Ordinary Resolution Number 1 to be adopted is at least 50% of the voting rights exercised in favour of the Resolution by Shareholders present in person or represented by proxy and entitled to exercise voting rights on this Ordinary Resolution Number 1. UBI, as the sole shareholder of the General Partner, and its associates will not vote any of its Shares in respect of Ordinary Resolution Number 1, but will be taken into account for purposes of determining the quorum for the voting on Ordinary Resolution Number 1.

Explanatory note

The reason for and effect of Ordinary Resolution Number 1 is to authorise ARC Investments to enter into the addendum to the Partnership Agreement in order to authorise the change in the Management Fees charged to the ARC Fund.

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE AMENDMENTS TO THE CONSTITUTION IN RESPECT OF THE AMENDED TERMS OF THE C SHARES

“RESOLVED THAT, subject to the approval of Ordinary Resolution Number 1 and to Special Resolution Number 2 (to be passed by the holder of the C Shares), the amendments to paragraph 3 of Schedule 1 and Schedule 2 of the Constitution as set out in **Annexe G** to the Circular, be and are hereby approved and that the Constitution be amended accordingly.”

Percentage of voting rights required

For Special Resolution Number 1 to be approved by the Shareholders, it must be supported by at least 75% of the voting rights exercised on Special Resolution Number 1 by Shareholders present in person or represented by proxy, and who exercise voting rights on this Special Resolution Number 2.

Explanatory note

The reason for Special Resolution Number 2 is that the amendments to the Constitution requires approval of the Shareholders in terms of article 1.3.2 of the Constitution and section 44(2) of the Mauritian Companies Act. In addition, the amendments to the terms of the C Shares result in a variation of the rights attaching to the C Shares and require approval of the holders of C Shares in terms of articles 1.3.3 and 4.1.8 of the Constitution and section 114 of the Mauritian Companies Act as per Special Resolution Number 2 below.

SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE VARIATION OF THE RIGHTS ATTACHING TO THE C SHARES – TO BE PASSED BY THE HOLDERS OF THE C SHARES

“RESOLVED THAT, subject to the approval of Ordinary Resolution Number 1 and Special Resolution Number 1, the variations proposed to the rights attaching to the C Shares as set out in **Annexe G** to the Circular, be and are hereby approved by the holders of the C Shares.

Percentage of voting rights required

For Special Resolution Number 2 to be approved by the holders of the C Shares, it must be supported by at least 75% of the voting rights exercised on Special Resolution Number 2 by holders of the C Shares present in person or represented by proxy, and who exercise voting rights on this Special Resolution Number 2. Only the holders of the C Shares can vote on this Special Resolution Number 2.

Explanatory note

The reason for Special Resolution Number 2 is to approve the variation in the rights attached to the C Shares. As this affects the rights of a specific class of shareholder, in terms of section 114 of the Mauritian Companies Act and articles 1.3.3 and 4.1.8 of the Constitution, the amendments to the terms of the C Shares requires a class vote from the holders of the C Shares.

ORDINARY RESOLUTION NUMBER 2 – AUTHORITY

“RESOLVED THAT any Director (each, an **“Authorised Signatory”**) be and is hereby authorised, for and on behalf of the Company, to do, or cause to be done, all such things, sign, or cause to be signed, all such documentation and take, or cause to be taken, all such actions as may be necessary or desirable to give effect to the foregoing and, insofar as an Authorised Signatory has done any of the foregoing prior to the passing of these resolutions, such actions be and are hereby ratified, confirmed, authorised and approved in their entirety to the fullest extent permitted by law.”

Percentage of voting rights required

For Ordinary Resolution Number 2 to be approved by the Shareholders, it must be supported by more than 50% of the voting rights exercised on Ordinary Resolution 2 by Shareholders in person or represented by proxy, and who exercise voting rights on this Ordinary Resolution 2.

Explanatory note

The reason for and effect of Ordinary Resolution Number 2 is to authorise any director of ARC Investments to take all such actions necessary, and arrange signature of all documents required, to give effect to the Resolutions herein.

By order of the Board

Toorisha Nakey Kurnauth
For and behalf of Intercontinental Trust Limited Company Secretary
Mauritius
18 October 2022



AFRICAN RAINBOW CAPITAL INVESTMENTS LIMITED
(Incorporated in the Republic of Mauritius)
(Company number: C148430)
JSE and A2X share code: AIL
ISIN: MU0553S00000
("ARC Investments")

FORM OF PROXY ("FORM")

The definitions commencing on page 8 of the Transaction Circular to which this Form of Proxy is attached apply, mutatis mutandis, to this Form (unless the context indicates otherwise).

For use by Certificated Shareholders and "own-name" Dematerialised Shareholders at the General Meeting of ARC Investments to be held virtually and by electronic communication at 13:00 South African time (15:00 Mauritian time) on Tuesday, 15 November 2022.

Certificated Shareholders or dematerialised Shareholders with "own-name" registration, and who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a Shareholder and shall be entitled to vote on a poll. It is required that Forms be forwarded so as to reach the Transfer Secretaries in South Africa to verify the identity of Shareholders and their proxies who wish to participate by electronic communication in the General Meeting. If Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with "own-name" registration and who are entitled to participate in and vote at the General Meeting do not deliver their Forms to the Transfer Secretaries, they will nevertheless be entitled to lodge their Forms in respect of the General Meeting, by emailing those Forms to the Transfer Secretaries at proxy@computershare.co.za as soon as possible, but in any event no later than 13:00 South African time (15:00 Mauritian time) on Friday, 11 November 2022.

Dematerialised Shareholders, other than Dematerialised Shareholders with "own-name" registration, must not return this Form to the Transfer Secretaries. Dematerialised Shareholders, other than Dematerialised Shareholders with "own-name" registration, should instruct their CSDP or Broker as to what action they wish to take. This must be done in the manner and time stipulated in the agreement entered into between them and their CSDP or Broker.

I/we (name in BLOCK LETTERS)

of (address in BLOCK LETTERS)

being the holder/s of..... ¹ Shares in the issued share capital of ARC Investments hereby appoint

.....of..... or failing him/her,

.....of..... or failing him/her, the chairperson of the General Meeting, as my/our proxy, to attend, speak on my/our behalf at the General Meeting to be held virtually immediately following the Fifth Annual General Meeting commencing at 13:00 South African time (15:00 Mauritian time) on 15 November 2022 and at any adjournment thereof, and to vote or abstain from voting on my/our behalf on the Resolutions to be proposed at such General Meeting, with or without modification, as follows:

	For	Against	Abstain
Ordinary Resolution Number 1 Approval of the amended Management Fees contained in the Addendum to the Partnership Agreement			
Special Resolution Number 1 Approval of the amendments to the Constitution in respect of the amended terms of the C Shares and the replacement of Schedule 2			
Special Resolution Number 2 Approval of the variation of the rights attaching to the C Shares - to be passed by the holders of the C Shares only			
Ordinary Resolution Number 2 General authority of the Directors			

Place an "X" in the appropriate box to indicate your vote - see note 5.

Every person entitled to vote who is participating at the General Meeting shall be entitled to on a poll, one vote per Share held or represented.

A proxy may not delegate his/her authority to act on his/her behalf to another person (see note 9).

¹ Insert number of securities in respect of which you are entitled to exercise voting rights.

This Form will lapse and cease to be of force and effect immediately after the General Meeting and any adjournment(s) thereof, unless it is revoked earlier (see notes 14 and 15).

Signed (Name in BLOCK LETTERS) at on 2022

Signature Assisted by me (where applicable)

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AND THESE NOTES

1. A proxy appointment must be in writing, dated and signed by the person appointing the proxy.
2. Forms may be delivered to ARC Investments by or before 13:00 South African time (15:00 Mauritian) on Friday, 11 November 2022 before a proxy may exercise any voting rights at the General Meeting by:
 - hand delivery to the Transfer Secretaries: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa;
 - postal delivery to the Transfer Secretaries: Private Bag X9000, Saxonwold, 2132, South Africa; or
 - electronic delivery: by email to proxy@computershare.co.za or alternatively register on www.meetnow.global/za.
3. Each person entitled to exercise any voting rights at the General Meeting may appoint a proxy or proxies to attend, speak, vote or abstain from voting in place of that holder.
4. A person entitled to vote may insert the name of a proxy or the name of an alternative proxy of the holder's choice in the space provided, with or without deleting the 'chairperson of the General Meeting'. Any such deletion must be initialled. The person whose name stands first on this Form and who is participating at the General Meeting shall be entitled to act as proxy to the exclusion of the person whose name follows as an alternative. In the event the proxy is given to the chairperson without direction or that no proxy names are indicated, the proxy shall be exercised by the chairperson of the General Meeting to vote in favour of any Resolution.
5. An 'X' in the appropriate box indicates that all your voting rights are exercisable by that holder. If no instructions are provided in this Form, in accordance with the above, then the proxy shall be entitled to vote or abstain from voting at the General Meeting, as the proxy deems fit in respect of all your voting rights exercisable thereat but, as noted above, if the proxy is the chairperson, failure to provide instructions to the proxy in accordance with the above will be deemed to authorise the proxy to vote only in favour of the Resolution.
6. You or your proxy are not obliged to exercise all your voting rights that are exercisable, but the total of the voting rights cast may not exceed the total of the voting rights that may be exercised by you.
7. Your authorisation to the proxy, including the chairperson of the General Meeting, to vote on your behalf, shall be deemed to include the authority to vote on procedural matters at the General Meeting.
8. The completion and lodging of this Form will not preclude you from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, in which case the appointment of any proxy will be suspended to the extent that you choose to act in person in the exercise of your voting rights at the General Meeting.
9. Documentary evidence establishing the authority of a person participating in the General Meeting on your behalf in a representative capacity or signing this Form in a representative capacity must be attached to this Form.
10. Any insertions, deletions or alterations to this Form must be initialled by the signatory(ies).
11. The appointment of a proxy is revocable unless you expressly state otherwise in this Form.
12. You may revoke the proxy appointment by:
 - cancelling it in writing, or making a later, inconsistent appointment of a proxy; and
 - delivering a copy of the revocation instrument to the proxy and to ARC Investments as per note 3 above, to be received before 11:00 South African time (13:00 Mauritian time) on Tuesday, 15 November 2022.
13. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on your behalf at the later of: (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument is delivered as required in note 15.
14. If this Form has been delivered to ARC Investments in accordance with note 2 then, as long as that appointment remains in effect, any notice that is required by the Mauritian Companies Act or the Constitution to be delivered by ARC Investments to the holder of the voting rights must be delivered by ARC Investments to:
 - the holder; or
 - the proxy, if the holder has:
 - directed ARC Investments to do so, in writing; and
 - has paid any reasonable fee charged by ARC Investments for doing so.
15. The registered Shareholder in which any person has a beneficial interest, must deliver to each such person a notice of any meeting of ARC Investments at which those Shares may be voted on, within two Business Days after receiving such a notice from ARC Investments.
16. The chairperson of the General Meeting may reject or accept a form of proxy which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the Shareholder wishes to vote.

Transfer Offices

South Africa

Computershare Investor Services Proprietary Limited

Rosebank Towers

15 Biermann Avenue

Rosebank, Johannesburg

2196

South Africa

(Private Bag X9000, Saxonwold, 2132, South Africa)

Tel: +27 11 370 5000

Fax: +27 11 688 5248