
ELECTRONIC TRANSMISSION DISCLAIMER

The “*Definitions and interpretations*” commencing on page 9 of the attached rights offer circular (“**Circular**”) apply to the capitalised terms used in this electronic transmission disclaimer that are not otherwise defined.

IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission disclaimer applies to the attached Circular published by EPE Capital Partners Ltd, a company incorporated in accordance with the laws of Mauritius (“**Ethos Capital**”), and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Circular. In accessing this electronic transmission disclaimer and the attached Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that the delivery of this electronic transmission disclaimer and the attached Circular is confidential and intended for you only and you agree that you will not forward, reproduce or publish this electronic transmission disclaimer or the attached Circular to any other person, other than in compliance with this Circular, if you have disposed of your A Ordinary Shares.

The Rights Offer Shares are being offered and sold outside the United States in reliance on Regulation S (“**Regulation S**”) under the US Securities Act of 1933, as amended (“**US Securities Act**”). The Rights Offer Shares have not been and will not be registered under the US Securities Act or under any securities law or regulation of any state or other jurisdiction of the United States and may not be offered or, sold, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). For a description of these and certain further restrictions on offers, sales and transfers of the Rights Offer Shares and the distribution of this document, see “*Notice to Investors*”.

There will be no public offering of the Rights Offer Shares in the United States or in any other jurisdiction. The Rights Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with any applicable securities laws and regulations of any state or jurisdiction of the United States.

The Rights Offer Shares have also not been and will not be registered under the securities laws and regulations of any jurisdiction, in particular, the United States, Australia, Canada, Hong Kong or Japan and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States, Australia, Canada, Hong Kong or Japan, or in any jurisdiction where it is unlawful to do so, except pursuant to an applicable exemption.

This electronic transmission disclaimer, the attached Circular and the Rights Offer (as such term is defined in the attached Circular) are only addressed to and directed at persons in member states of the European Economic Area (“**EEA**”) who are “*qualified investors*” within the meaning of Article 2(1)(e) of the Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member States (as such term is defined in the attached Circular), and including any relevant implementing measure in each Relevant Member State) (“**Qualified Investors**”). In addition, in the United Kingdom, this electronic transmission disclaimer and the attached Circular are being distributed only to, and are directed only at: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**Relevant Persons**”). This electronic transmission disclaimer and the attached Circular must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this electronic transmission disclaimer and the attached Circular relates is available only to (i) Relevant Persons, in the United Kingdom, and (ii) Qualified Investors in any member state of the EEA other than the United Kingdom, and will be engaged in only with such persons. Accordingly, the information in this electronic transmission disclaimer and the attached Circular is not intended to be viewed by or distributed or passed on (directly or indirectly) to, and should not be acted upon by any other class of persons, save for such persons or class of persons contemplated herein.

CONFIRMATION OF YOUR REPRESENTATION: This electronic transmission disclaimer and the attached Circular are delivered to you on the basis that you are deemed to have represented to Ethos Capital that: you are outside the United States, you are acquiring any Rights Offer Shares in offshore transactions in compliance with Regulation S under the US Securities Act and: (i) if you are in the United Kingdom, you are a Relevant Person, and/or a Relevant Person who is acting on behalf of, Relevant Persons, in the United Kingdom and/or Qualified Investors to the extent you are acting on behalf of persons or entities in the United Kingdom or the EEA; (ii) if you are in any member state of the EEA other than the United Kingdom, you are a Qualified Investor and/or a Qualified Investor acting on behalf of, Qualified Investors or Relevant Persons, to the extent you are acting on behalf of persons or entities in the EEA or the United Kingdom; (iii) you are eligible to receive this electronic transmission disclaimer and the attached Circular and you consent to delivery by electronic transmission; and (iv) you are not a resident of, or located in, the United States, Australia, Canada, Hong Kong, Japan or any jurisdiction where it is unlawful to receive this electronic transmission disclaimer and the attached Circular.

Subject to certain exceptions, these materials are not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any state or jurisdiction of the United States and the District of Columbia), Australia, Canada, Hong Kong or Japan. There will be no public offer of securities in any jurisdiction, including the United States, Australia, Canada, Hong Kong or Japan.

You are reminded that you have received this electronic transmission disclaimer and the attached Circular on the basis that you are a person into whose possession this electronic transmission disclaimer and the attached Circular may be lawfully delivered in accordance with the laws and regulations of the jurisdiction in which you are resident, or located and you may not, nor are you authorised to, deliver this electronic transmission disclaimer or the attached Circular, electronically or otherwise, to any other person, other than as contemplated in the attached Circular.

The attached Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Ethos Capital or any affiliate, director, officer, employee or agent of Ethos Capital accepts any liability or responsibility whatsoever in respect of any difference between the attached Circular distributed to you in electronic format and the hard copy version of the Circular. If verification is required, please request a hard copy of the Circular from Ethos Capital or the JSE Sponsor (as such term is defined in the attached Circular).



EPE Capital Partners Ltd

Incorporated in the Republic of Mauritius
(Registration number: C138883 C1/GBL)
Share code: EPE
ISIN: MU0522S00005
(the "**Company**" or "**Ethos Capital**")

CIRCULAR TO SHAREHOLDERS

relating to:

a fully committed and underwritten renounceable Rights Offer to Shareholders to raise up to R750 million through an offer of up to 100 000 000 Rights Offer Shares at a Rights Offer Price of R7.50, in the ratio of 58.47953 Rights Offer Shares for every 100 A Ordinary Shares held at the close of business on Friday, 24 January 2020.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The "*Definitions and interpretations*" commencing on page 9 of this Circular apply throughout this Circular, including this cover page.

This Circular relates to a renounceable Rights Offer to Qualifying Shareholders, being holders of A Ordinary Shares in Ethos Capital's Register at the close of business (SAST) on the Record Date who are not Restricted Shareholders. In terms of the Rights Offer, Qualifying Shareholders will receive 58.47953 Rights for every 100 A Ordinary Shares and/or such proportionate lower number of Rights in respect of a holding of less than 100 A Ordinary Shares held on the Record Date, in accordance with the Ratio of Entitlement as set out in **Annexe A** of this Circular.

The enforcement of the Rights of Qualifying Shareholders to subscribe for Rights Offer Shares will take place through the issuance by Ethos Capital of renounceable Letters of Allocation to Qualifying Shareholders, which Letters of Allocation shall commence trading as 'nil paid' rights on the JSE at 09:00 (SAST) on Wednesday, 22 January 2020, in accordance with the JSE Corporate Actions Timetable. The Letters of Allocation will be issued in dematerialised form through the Strate System and Qualifying Shareholders will have their Letters of Allocation credited to their accounts with their CSDP or Broker in terms of the JSE Listings Requirements and the provisions of the Financial Markets Act.

The Letters of Allocation may be traded on the JSE under Alpha Code EPEN and ISIN MU0522H00016.

Qualifying Shareholders are also referred to page 8 of this Circular, which sets out the actions required of them with regard to the Rights Offer. If you are in any doubt as to the action that you should take, please consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.

Excess applications will be permitted, pursuant to which a Qualifying Shareholder may apply to subscribe for additional Rights Offer Shares over and above its *pro rata* entitlement to Rights Offer Shares in terms of the Rights Offer.

The Rights Offer is fully committed and underwritten. Ethos Capital has obtained Irrevocable Subscription Commitments from Shareholders representing c. 44% of the issued A Ordinary Shares, to follow all, or a specified portion of, the Rights allocated to them in terms of the Rights Offer and to subscribe and make payment of the aggregate price for all or a specified portion of the Rights Offer Shares issued to them in the Rights Offer in accordance with the terms of this Circular. In addition, the Underwriters (who may act on behalf of their clients when subscribing for Remaining Shares) have severally agreed (and not jointly or jointly and severally) to underwrite the Rights Offer Shares in accordance with each of their Committed Amounts. See paragraph 7 "*Underwriting and Subscription Undertakings*" commencing on page 21 of this Circular.

In the event that there are Remaining Shares, the Underwriters will subscribe for the Remaining Shares at the Rights Offer Price on behalf of the Underwriters themselves as principal or will procure that their clients so subscribe for such Remaining Shares, as the case may be (see paragraph 7 "*Underwriting and Subscription Undertakings*").

Investing in the Letters of Allocation or the Rights Offer Shares involves risk and you are advised to take your own professional advice in this regard.

Subject to the restrictions set out below, if you have disposed of all your A Ordinary Shares on or before Tuesday, 21 January 2020, then this Circular should be forwarded to the purchaser of your A Ordinary Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected. This Circular, subject to certain exceptions, should not be distributed in, forwarded to or transmitted in or into or from the Restricted Territories, or any other jurisdiction where to do so might constitute a violation of applicable laws or regulations (except in the absolute discretion of Ethos Capital or pursuant to any exemption from such laws and regulations).

This Circular is issued in compliance with the JSE Listings Requirements and the Mauritian Companies Act for the purpose of providing information to Qualifying Shareholders regarding the Rights Offer and is not an invitation to the public in any jurisdiction to subscribe for securities in Ethos Capital.

Ethos Capital does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a Shareholder to notify such Shareholder of the details of this Circular or the transactions envisaged in terms hereof.

The Issuer Regulation Division of the JSE has approved the listing of the Letters of Allocation in respect of all of the Rights Offer Shares with effect from the commencement of trade at 09:00 (SAST) on Wednesday, 22 January 2020, to the close of trade on Tuesday, 4 February 2020, both days inclusive, and all of the Rights Offer Shares with effect from the commencement of trade at 09:00 (SAST) on Wednesday, 5 February 2020. The Rights Offer Shares will be listed and admitted to trading on the JSE under the Alpha Code "EPE" and ISIN "MU0522S00005".

Rights Offer opens at 09:00 (SAST) on
Rights Offer closes at 12:00 (SAST) on

Monday, 27 January 2020
Friday, 7 February 2020

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

The Letters of Allocation and the Rights Offer Shares have not been, and will not be, registered under the US Securities Act, or under any securities laws or regulations of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of, the US Securities Act and in compliance with any applicable securities laws or regulations of any state or other jurisdiction of the United States. There will be no public offer of the Letters of Allocation and the Rights Offer Shares in the United States. The Letters of Allocation and the Rights Offer Shares are being offered and sold in offshore transactions in compliance with Regulation S.

The Letters of Allocation and the Rights Offer Shares will also not be registered under the securities laws or regulations of any jurisdiction, in particular the Restricted Territories, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within any of the Restricted Territories except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of such jurisdiction and where it is lawful to do so and does not require further action for such purpose. In particular, subject to certain exceptions, this Circular and any other such documents pertaining to the Rights Offer or Ethos Capital should not be distributed in, forwarded to or transmitted in or into the United States or any other Restricted Territory.

This Circular is available in English only. Copies of this Circular may be obtained from the registered offices of Ethos Capital and the JSE Sponsor at the addresses set out in "Corporate information and advisors" from the date of this Circular, Tuesday, 21 January 2020, to Friday, 7 February 2020, both days inclusive. This Circular will also be available in electronic form on Ethos Capital's website (www.ethoscapital.mu) from the date of this Circular. The information contained on Ethos Capital's website and/or the information published by Brait referred to herein is not incorporated by reference in this Circular and does not form a part of this Circular.

Circular dated 21 January 2020.

Legal adviser as to
South African law

WEBBER WENTZEL
in alliance with > Linklaters

Legal adviser as to
Mauritian law

ykj LEGAL

JSE Sponsor

 **RAND
MERCHANT
BANK**
A division of FirstRand Bank Limited

Financial adviser

 **ROTHSCHILD**

Transfer Secretaries

 **Computershare**

NOTICE TO INVESTORS

The “Definitions and interpretations” commencing on page 9 of this Circular apply, *mutatis mutandis*, to this section.

The Rights Offer is being made in accordance with the JSE Listings Requirements and, to the extent applicable, in compliance with the Mauritian Companies Act and the constitution of Ethos Capital, and is only addressed to persons to whom it may lawfully be made. By subscribing for any Rights Offer Shares or purchasing any Letters of Allocation, you will be deemed to have represented and agreed that: (i) you are not (and any person for whom you are acting is not) a Restricted Shareholder or otherwise (a) a resident in any jurisdiction in which such offer would be unlawful, or (b) a person to whom the Rights Offer may not lawfully be made; and (ii) you have received all necessary information required to make an informed investment decision.

This Circular is not an offer of any A Ordinary Shares, or an invitation to exercise any of the Rights pursuant to the Letters of Allocation, in any jurisdiction in which such offer would be unlawful. In a number of countries, in particular in the United States, Australia, Canada, Hong Kong and Japan, the distribution of this Circular, the exercise of Rights pursuant to the Letters of Allocation, the offer of the Rights Offer Shares, and the sale of the Rights Offer Shares, are subject to restrictions imposed by applicable laws or regulations (such as registration, admission or other regulations). Ethos Capital does not permit the possession, distribution or transmission of this Circular (or any Letter of Allocation or Rights Offer Share) in any jurisdiction where such distribution may otherwise lead to a breach of any applicable laws or regulations.

Accordingly, neither this Circular nor any advertisement nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will be in compliance with applicable laws and regulations. Persons into whose possession this Circular may come are required to inform themselves about and comply with such restrictions, in particular not to publish or distribute this Circular in violation of applicable securities laws and regulations. Any failure to comply with such restrictions may result in a violation of applicable securities laws and regulations and therefore persons into whose possession this Circular comes should inform themselves about, and observe, all and any applicable laws or regulations. To the fullest extent permitted by applicable laws, Ethos Capital disclaims any and all responsibility or liability for the violation of such requirements by any persons in any jurisdiction. This Circular does not constitute an offer to sell the Letters of Allocation or the Rights Offer Shares to any person in any jurisdiction in which it is unlawful to make such offer to such person, or a solicitation of an offer to buy the Letters of Allocation or the Rights Offer Shares from a person in a jurisdiction in which it is unlawful to make such solicitation.

No person is or has been authorised to give any information or to make any representation regarding the Rights Offer other than the information and representations, if any, contained in this Circular and, if given or made, such information or representations shall not be relied upon as having been so authorised by Ethos Capital. The Underwriters accept no responsibility whatsoever and make no warranty, express or implied, for the contents of this Circular, or any other documentation relating to the Rights Offer, including its currency, accuracy, reliability, timeliness, continued availability, correctness, completeness or verification or for any other statement made or purported to be made by it, its affiliates, officers, employees or advisors, or on its behalf, in connection with Ethos Capital, the Rights Offer, the Rights and the Rights Offer Shares (“**Information**”), and the Underwriters, accordingly, disclaim to the maximum extent permitted by applicable laws and regulations all and any responsibility or liability, whether arising in delict (tort), contract or otherwise and whether arising as a result of any omission from, or inadequacy or inaccuracy in, the Information or the distribution, responsibility or possession or use of the Information in or from any jurisdiction which they might otherwise have in respect of this Circular or any such statement. Information given or representations made by any person, including the Underwriters, in connection with this Rights Offer or the issue or the sale of the Letters of Allocation or the subscription for or the sale of the Rights Offer Shares that are inconsistent with those contained in this Circular are invalid.

Investors acknowledge that they have (i) not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of the Information for their investment decision; and (ii) relied only on the information contained in this Circular, and that no person has been authorised to give any information or to make any representation concerning Ethos Capital, its investments or its affiliates, the Letters of Allocation or the Rights Offer Shares (other than as contained in this Circular) and, if given or made, any such other information or representation should not be relied upon as having been authorised by Ethos Capital.

The distribution of this Circular does not mean that the information contained herein is current as of any time after the Last Practicable Date. In particular, neither the delivery of this Circular nor the issue, offer, sale or delivery of the Letters of Allocation or the Rights Offer Shares means that no adverse changes have occurred or no events have happened after the Last Practicable Date which may or could result in an adverse effect on Ethos Capital’s business, financial condition or results of operations.

Nothing contained in this Circular is intended to constitute investment, legal, tax, accounting or other professional advice. This Circular is for your information only and nothing contained in this Circular is intended to endorse or recommend a particular course of action. In making an investment decision in respect of the Letters of Allocation or the Rights Offer Shares, each investor must rely on its own examination, analysis and enquiry of Ethos Capital and the terms of the Rights Offer, including the merits and risks involved. Neither Ethos Capital nor any of its respective directors, officers, employees, agents or representatives, is making any representation to any offeree, subscriber or purchaser of the Letters of Allocation or the Rights Offer Shares regarding the legality of an investment in the Letters of Allocation or the Rights Offer Shares by such offeree, subscriber or purchaser under the laws or regulations applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before acquiring the Letters of Allocation or subscribing for or purchasing the Rights Offer Shares. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of dealing in, or exercising Rights in terms of, the Letters of Allocation or subscribing for, purchasing or disposing of the Rights Offer Shares. Investors are also required to make their independent assessment of the risks involved in dealing in, or exercising Rights in terms of, the Letters of Allocation or subscribing for, purchasing or disposing of the Rights Offer Shares.

In connection with the Rights Offer, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may exercise Rights in terms of the Letters of Allocation in the Rights Offer and in that capacity may subscribe for, retain, purchase or sell for its own account such securities and any Letters of Allocation or Rights Offer Shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Rights Offer. Accordingly, references in this Circular

to Letters of Allocation or Rights Offer Shares being offered should be read as including any offering of Letters of Allocation or Rights Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intends to disclose the extent of such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

NOTICE TO INVESTORS IN THE UNITED STATES

The Rights Offer Shares have not been and will not be registered under the US Securities Act or under any securities law or regulation of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Rights Offer Shares are being offered and sold outside of the United States in reliance on Regulation S. In addition, until 40 days after the commencement of the Rights Offer an offer or sale of Rights Offer Shares within the United States by any dealer (whether or not participating in the Rights Offer) may violate the registration requirements of the US Securities Act. To the fullest extent permitted by applicable laws, Ethos Capital disclaims any and all responsibility or liability for the violation of such requirements by any persons in any jurisdiction.

The information contained in this Circular has been provided by Ethos Capital and the other sources identified herein. Distribution of this Circular to any person other than the offeree specified by Ethos Capital and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of its contents, without the prior written consent of Ethos Capital, is prohibited. Any reproduction or distribution of this Circular in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the securities described herein. Investors agree to the foregoing by accepting delivery of this Circular.

NOTICE TO INVESTORS IN SOUTH AFRICA

In South Africa, the Rights Offer is being made to Qualifying Shareholders in the circumstances contemplated in section 96 of the South African Companies Act and this Circular has been prepared on the basis that the Rights Offer will not constitute an "offer to the public", as envisaged in Chapter 4 of the South African Companies Act. Accordingly: (i) this Circular does not, nor does it intend to, constitute a "registered prospectus" or advertisement relating to an offer to the public in South Africa, as contemplated by the South African Companies Act; and (ii) no prospectus has been filed with CIPC in respect of the Rights Offer. As a result, this Circular does not comply with, *inter alia*, the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been filed with, approved by, and/or registered with, the CIPC, or any other South African authority, save for the JSE Limited and FinSurv. Should any person who is not a Qualifying Shareholder (or its renouncee or the purchaser of any of its Letters of Allocation in accordance with the terms of the Rights Offer) receive this Circular, they should not, and will not be entitled to, acquire any Rights Offer Shares or Letters of Allocation or otherwise act thereon.

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

NOTICE TO INVESTORS IN MAURITIUS

In Mauritius, as Ethos Capital holds a Global Business Licence issued by the FSC and its issued A Ordinary Shares are listed on the Main Board of the JSE, this Circular has been prepared on the basis that Ethos Capital, in terms of section 70(1)(j) of the Mauritian Securities Act 2005, is not required to comply with the prospectus requirements imposed under the Mauritian Securities Act 2005 and the Mauritian Securities (Public Offer) Rules 2007. This Circular has been prepared pursuant to the JSE Listings Requirements and has not been submitted to the FSC for registration or approval.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Circular is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); or (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iv) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). The Rights Offer Shares and Letters of Allocation are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Rights Offer Shares or Letters of Allocation will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Circular or any of its contents.

MEMBER STATES OF THE EEA

In relation to a Relevant Member State, an offer to the public of the Rights Offer Shares or Letters of Allocation contemplated by this Circular may not be made in that Relevant Member State pursuant to the Rights Offer prior to the publication of a prospectus in relation to the Rights Offer Shares or Letters of Allocation which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the first Relevant Member State, all in accordance with the Prospectus Regulation, except that an offer to the public in that Relevant Member State of such Rights Offer Shares or Letters of Allocation may be made at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a Qualified Investor; or
- (b) to fewer than 150 natural or legal persons (other than Qualified Investors); or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Offer Shares or Letters of Allocation shall result in a requirement for Ethos Capital to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus

Regulation and each person who initially acquires any Rights Offer Shares or Letters of Allocation or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Ethos Capital that it is a Qualified Investor.

For the purposes of this provision, the expression “an offer to the public in relation to any Rights Offer Shares or Letters of Allocation in any Relevant Member State” means the communication in any form and by any means of sufficient information on the terms of the Rights Offer, the Rights Offer Shares or Letters of Allocation to be offered so as to enable an investor to decide to subscribe for or purchase any Rights Offer Shares or Letters of Allocation.

In the case of any Rights Offer Shares or Letters of Allocation being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, warranted and agreed that it is a Qualified Investor and (a) the Rights Offer Shares or Letters of Allocation acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors; or (b) where Rights Offer Shares or Letters of Allocation have been acquired by that financial intermediary on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Rights Offer Shares or Letters of Allocation to that financial intermediary is not treated under the Prospectus Regulation as having been made to such persons. Ethos Capital and each of their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement.

NOTICE TO INVESTORS IN THE UNITED STATES, AUSTRALIA, CANADA, HONG KONG, JAPAN AND CERTAIN OTHER JURISDICTIONS

Subject to certain exceptions, the Rights Offer will not be made to persons who are residents of the United States, Australia, Canada, Hong Kong or Japan, or in any jurisdiction where such offering would be unlawful or in contravention of certain laws or regulations.

NOTICE TO NOMINEES, CUSTODIANS AND FINANCIAL INTERMEDIARIES

Any person, including nominees, custodians and other financial intermediaries who would, or otherwise intends to, or has a contractual or legal obligation to, forward this Circular or any information relating to this Rights Offer to any jurisdiction outside of South Africa, should adhere to the restrictions set out above and in paragraph 14 “*Foreign Shareholders*” on page 23 of this Circular. In connection with any subscriptions for the Rights Offer Shares or any sales or purchases of the Letters of Allocation, nominees, custodians and financial intermediaries will be deemed to have represented and warranted that they have complied with the terms of the Rights Offer.

JURISDICTION AND SERVICE OF PROCESS IN MAURITIUS AND ENFORCEMENT OF FOREIGN JUDGMENTS IN SOUTH AFRICA

Ethos Capital is a public company incorporated under the laws of Mauritius holding a Category One Global Business Licence issued by the FSC. The registered office of Ethos Capital is in Mauritius and as a result, it may not be possible for investors to effect service of process within South Africa upon Ethos Capital or to enforce any judgments obtained in the courts of South Africa against Ethos Capital.

A significant portion of Ethos Capital’s investments are located in South Africa. As a matter of policy, South African courts are inclined to enforce foreign judgments, provided certain thresholds are satisfied, particularly in view of the principles of comity and reciprocity. Foreign judgments in this context would include judgments procured from other national courts as well as international judicial forums or tribunals. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action that may be enforced by South African courts, provided that:

- the court that pronounced the judgment had jurisdiction and international competence to entertain the case according to the principles recognised by South African law with reference to the jurisdiction of foreign courts. A foreign judgment may not be recognised in South Africa if the foreign court exercised jurisdiction over the defendant in circumstances where a South African court would not exercise jurisdiction over a defendant (even where the foreign court exercised jurisdiction in line with its domestic procedures);
- the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice, which require that the documents initiating the foreign proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal. Usually, a fundamental breach of justice or procedural unfairness is relevant and not merely minor procedural irregularities;
- the judgment was not obtained by fraudulent means;
- the judgment must not be in conflict with a South African statute;
- the judgment does not involve the enforcement of a penal or revenue law of the foreign state; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the South African Protection of Businesses Act, 99 of 1978, as amended (“**Protection of Business Act**”). The Protection of Business Act requires that consent of the South African Minister of Economic Development is sought for enforcement of certain judgments, but South African courts have to date interpreted this requirement as applying only in circumstances where the claim is connected in one or other way to raw materials and products.

It is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the awarding of punitive damages is generally unknown to the South African legal system, such awards handed down in foreign jurisdictions are not necessarily contrary to public policy. Whether or not the enforcement or recognition of a foreign judgment is contrary to public policy will depend on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to public policy and unenforceable. In this respect, in one instance, an award of punitive damages, which was equivalent to 100% of ordinary damages, was held to be excessive and was not enforced, but much will depend on the factual circumstances of a particular case. South African courts will not enter into the merits of a foreign judgment and will not act as a court of appeal or review over a foreign court. The South African courts’ assessment of foreign judgments is usually confined to jurisdictional and procedural matters, although public policy (including considerations pertaining to the Constitution of the Republic of South Africa, 1996) imports certain substantive dimensions.

IMPORTANT NUMERICAL AND OTHER INFORMATION

The “*Definitions and interpretations*” commencing on page 9 of this Circular apply, *mutatis mutandis*, to this section.

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.

MARKET INFORMATION

Without derogating from the Directors’ responsibility statement in paragraph 31 “*Directors’ Responsibility Statement*”, Ethos Capital has obtained market data and certain industry information used in this Circular from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, internal surveys, estimates and market research, while believed to be reliable, have not been independently verified, and Ethos Capital does not make any representation as to the accuracy of such information and/or the veracity or appropriateness of research methodology, findings or information. Similarly, while Ethos Capital believes its internal estimates to be reasonable, they have not been verified by any independent sources, and Ethos Capital cannot give any assurance as to their accuracy.

CERTAIN FORWARD-LOOKING STATEMENTS

The “*Definitions and interpretations*” commencing on page 9 of this Circular apply, *mutatis mutandis*, to this section.

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 Ethos Capital invests; use of the proceeds of the Rights Offer; Ethos Capital's ability to implement its strategy; the competitive environments in which Ethos Capital invests; trends in the industries and markets in which Ethos Capital operates; future operating results, growth prospects and outlook for the investments of Ethos Capital, individually or in the aggregate; and Ethos Capital's liquidity and available resources and expenditure. Such forward-looking statements generally reflect Ethos Capital's 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 Ethos Capital's objectives, plans or goals are or may be forward-looking statements. Forward-looking statements are included in, among other sections, “*Rationale for the Rights Offer and Use of Proceeds*”, “*History and Nature of Business of Ethos Capital*” and “*Strategy and Prospects of Ethos Capital*” and specifically include statements on the Rights Offer and the Brait Equity Raise, including the Brait Rights Offer.

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 Ethos Capital's actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements.

Qualifying 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. Ethos Capital 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 Ethos Capital or any person acting on its behalf are qualified by the cautionary statements above.

CORPORATE INFORMATION AND ADVISORS

Directors of Ethos Capital Independent non-executive

Yvonne Stillhart (*Chairperson*)
Derek Prout-Jones
Kevin Allagapen
Michael Pfaff
Yuvraj Juwaheer

Company Secretary

Ocorian (Mauritius) Limited
6th Floor, Tower A
1 CyberCity
Ebene
72201
Mauritius

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(PO Box 61051, Marshalltown, 2107)
South Africa

Legal adviser as to South African law

Webber Wentzel
90 Rivonia Road
Sandton
2196
(PO Box 61771, Marshalltown 2107)
South Africa

Date of incorporation of Ethos Capital

26 May 2016

Registered office and business address of Ethos Capital

Ocorian (Mauritius) Limited
6th Floor, Tower A
1 Cybercity
Ebene
72201
Mauritius

JSE Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)
(Registration number: 1929/001225/06)
1 Merchant Place Cnr Rivonia Road and Fredman Drive
Sandton
2196
(PO Box 786273, Sandton, 2146)
South Africa

Financial Adviser

Rothschild and Co South Africa Proprietary Limited
(Registration number: 1999/021764/07)
3rd Floor
Oxford Corner
32A Jellicoe Avenue West
Rosebank
2196
(PO Box 411332, Craighall, 2014)
South Africa

Legal adviser as to Mauritian law

YKJ Legal
Office 2, Ground Floor, NEX
Lot 66
Rue du Savoir
Cybercity
Ebene
72201
Mauritius

Place of incorporation of Ethos Capital

Mauritius

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ACTION REQUIRED BY QUALIFYING SHAREHOLDERS

The “Definitions and interpretations” commencing on page 9 of this Circular apply, *mutatis mutandis*, to this section.

ACTION REQUIRED OF QUALIFYING SHAREHOLDERS

If you are a Qualifying Shareholder, your CSDP or Broker will credit your account with the number of Letters of Allocation to which you are entitled which is expected to be on Monday, 27 January 2020, and you should receive notification from your CSDP or Broker in this regard. If your CSDP or Broker does not contact you, you should contact your CSDP or Broker and provide them with your instructions.

If you do not wish to exercise your Rights to subscribe for all of the Rights Offer Shares to which you are entitled, you may either dispose of or renounce all or part of your Letters of Allocation.

If you wish to dispose of all or part of your Letters of Allocation, you are required to instruct your CSDP or Broker as to the number of Letters of Allocation which you wish to dispose of and your CSDP or Broker will dispose of those Letters of Allocation on the JSE. Please note that the last day to trade Letters of Allocation is Tuesday, 4 February 2020.

If you wish to renounce all or part of your Letters of Allocation in favour of any named renounee, you are required to instruct your CSDP or Broker as to the number of Letters of Allocation you wish to renounce and in favour of whom you wish to renounce those Letters of Allocation.

If you wish to subscribe for all or part of your Rights Offer Shares to which you are entitled, you are required to instruct your CSDP or Broker as to the number of Rights Offer Shares for which you wish to subscribe.

You may apply for additional Rights Offer Shares over and above your Rights. If you wish to apply for excess Rights Offer Shares, you are required to instruct your CSDP or Broker as to the number of additional Rights Offer Shares for which you wish to subscribe.

CSDPs effect payment on a delivery versus payment basis.

Instructions to your CSDP or Broker must be provided in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you or, if the mandate is silent in this regard, your Rights may lapse.

Ethos Capital does not take any responsibility nor will it be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to dispose of the Letters of Allocation allocated to you.

Qualifying Shareholders are advised to contact their CSDP or Broker as early as possible to establish what the cut-off dates and times are for acceptance of the Rights Offer, as set out in the custody agreement governing the relationship between them and their CSDP or Broker, as this may be earlier than the proposed closing time of the Rights Offer.

FOREIGN SHAREHOLDERS AND RESTRICTED SHAREHOLDERS

Additional information for Foreign Shareholders is provided in paragraph 14 “*Foreign Shareholders*” commencing on page 23 of this Circular. The attention of Foreign Shareholders who are Restricted Shareholders is drawn to paragraph 16 “*Representations and Warranties*” commencing on page 26 of this Circular.

ACTION REQUIRED IF YOU HAVE DISPOSED OF YOUR A ORDINARY SHARES

If you have disposed of all of your A Ordinary Shares on or before Tuesday, 21 January 2020, this Circular should be forwarded to the purchaser to whom, or the CSDP, Broker, banker or agent through whom, you disposed of such shares, but not if the purchaser or transferee is in the United States or in any other Restricted Territory.

NOTE:

If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.

If you are a Qualifying Shareholder, Ethos Capital does not accept any responsibility nor will it be held liable for any failure on the part of your CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to dispose of the Letters of Allocation allocated to you.

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular and the annexures hereto, unless the context indicates otherwise, the words in the column on the left below shall have the meanings stated opposite them in the column on the right below, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

"4 Decades Capital"	4 Decades Capital Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2013/088902/07, which is a vehicle through which the family trusts of independent, non-executive Directors, Derek Prout-Jones and Michael Pfaff, invest and manage their common investments;
"A Ordinary Shares"	A ordinary shares of no par value in Ethos Capital's share capital;
"Abax"	Abax Investments Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2000/008606/07;
"Authorised Dealer"	a person that has been appointed to act as an authorised dealer in foreign exchange in terms of the Exchange Control Regulations;
"Autozone"	Autozone Holdings Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2014/064293/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"B Ordinary Shares"	B ordinary shares of no par value in Ethos Capital's share capital;
"Black Hawk"	Black Hawk Private Equity Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2009/018780/07, which is a vehicle that is indirectly owned by non-executive Directors, Michael Pfaff and Derek Prout-Jones, through their respective family trusts;
"BML"	Brait Mauritius Limited, a company registered in accordance with the laws of Mauritius, with registration number: 60342 C1/GBL;
"Board" or "Directors"	the board of directors of Ethos Capital, which, as at the Last Practicable Date, comprised the persons whose names appear in <i>"Corporate information and advisors"</i> ;
"Brait"	Brait Societas Europaea, an investment holding company registered in the Republic of Malta as a European Company with registration number: SE1, the issued ordinary shares of which are admitted to listing and trading as a primary listing on the LuxSE and, as a secondary listing, on the JSE;
"Brait 2020 Interim Results"	the unaudited results of Brait for the six-month period ended 30 September 2019 and the related notes thereto, as published by Brait on 27 November 2019;
"Brait Advisory Agreement"	the written agreement concluded between BML and Ethos Private Equity which will take effect from the first day of the month following the completion of the Brait Rights Offer and in terms of which Ethos Private Equity assumes the right to advise the Brait Board on the overall Brait portfolio value optimisation strategy;
"Brait Board"	the board of directors of Brait;
"Brait Equity Raise"	the proposed equity capital raise by Brait of at least R5.25 billion and up to R5.6 billion, pursuant to the Brait Rights Offer and, to the extent applicable, the Brait Top-Up Subscription;
"Brait Major Shareholder Agreement"	the written agreement concluded among, <i>inter alia</i> , Ethos Capital, Ethos Fund VII and the Brait Major Shareholder dated 22 November 2019, as reinstated on 10 December 2019, in terms of which, <i>inter alia</i> : (i) the Brait Major Shareholder has agreed to irrevocably and unconditionally renounce part of its entitlements to the Brait Rights Offer Shares with an aggregate subscription price of R1 billion in favour of Ethos Capital investing alongside Ethos Fund VII; and (ii) Ethos Capital and Ethos Fund VII have irrevocably agreed to subscribe for such Brait Rights Offer Shares;
"Brait Major Shareholder"	Titan Financial Services Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 1979/000776/07 and its affiliates;
"Brait Rights Offer Price"	the final subscription price of R6.60 per Brait Rights Offer Share under the Brait Rights Offer as announced by Brait;
"Brait Rights Offer Shares"	the new ordinary shares in the issued share capital of Brait to be issued pursuant to the Brait Rights Offer;
"Brait Rights Offer"	the proposed fully committed and underwritten, renounceable offer by Brait to Brait Shareholders to subscribe for the Brait Rights Offer Shares in order to raise R5.25 billion;

"Brait Shareholders"	the holders of issued ordinary shares in Brait, from time to time;
"Brait Top-Up Subscription Shares"	the new ordinary shares in the issued capital of Brait to be issued to Ethos Capital and Ethos Fund VII in the Ethos Committed Portion pursuant to the Brait Top-Up Subscription, to the extent applicable;
"Brait Top-Up Subscription"	the subscription by Ethos Capital and Ethos Fund VII for the Brait Top-Up Subscription Shares in circumstances where the aggregate subscription price payable by Ethos Capital and Ethos Fund VII pursuant to the Brait Rights Offer is less than R1.35 billion in which case Ethos Capital and Ethos Fund VII shall subscribe for a number of Brait Top-Up Subscription Shares for an aggregate subscription price of up to R350 million, at a price per share equal to the Brait Rights Offer Price, to ensure that Ethos Capital and Ethos Fund VII achieve their aggregate minimum guaranteed investment of R1.35 billion;
"Brait Underwriting Commitment Agreement"	the written underwriting commitment agreement concluded among Brait, Ethos Capital, Ethos Fund VII, the Brait Major Shareholder and Rand Merchant Bank dated 27 November 2019 in respect of the Brait Equity Raise;
"Brait Underwriting Commitment"	an aggregate amount of up to R350 million committed by Ethos Capital and Ethos Fund VII, each in accordance with its Ethos Committed Portion, to underwrite and hence subscribe for Brait Rights Offer Shares not taken up in the Brait Rights Offer;
"Broker"	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
"Channel VAS"	Channel VAS Dubai Multi Commodities Company with Limited Liability (DMCC), a private limited company registered in Dubai, United Arab Emirates, with registration number: DMCC 5324, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Chibuku Products"	Chibuku Products Limited, a private company incorporated in accordance with the laws of Malawi, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"CIPC"	the South African Companies and Intellectual Property Commission;
"Circular"	this bound document, dated Tuesday, 21 January 2020, including any annexes hereto;
"ClucasGray"	ClucasGray Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2005/012445/07;
"Committed Amount"	the maximum aggregate amount payable by each Underwriter pursuant to the Underwriting Commitment concluded by it with Ethos Capital;
"Common Monetary Area"	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
"Coronation"	Coronation Asset Management Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 1993/002807/07;
"CRFund"	a retirement fund known as Consolidated Retirement Fund for Local Government, registered with the Financial Sector Conduct Authority in terms of the Pension Funds Act 24 of 1956, as amended, under registration number: 12/8/32689/2;
"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;
"Eaton Towers"	Eaton Towers Limited, a private limited company registered in the UK, with company number 07724924, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Eazi Access"	Eazi Access Group Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2015/227647/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"EBITDA"	earnings before interest, taxes, depreciation and amortisation;
"Echotel"	Echotel International Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2018/10368/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"EEA"	the European Economic Area;
"EFT"	electronic funds transfer;

"EPE Trust"	the Ethos Private Equity Allocation Trust, Master's reference number IT001673/2016(T), a trust registered in accordance with the South African Trust Property Control Act, 57 of 1988, as amended, the role of which is to ensure that carry entitlements can be appropriately allocated between the different Ethos Private Equity management teams involved in relation to the Ethos Funds that Ethos Capital invests in;
"Ethos Ai Fund I"	a private equity fund known as Ethos Ai Fund I established as a co-investment vehicle to predominantly invest alongside other Ethos Funds in businesses that benefit from the adoption and implementation of algorithmic decision making;
"Ethos Capital" or "the Company"	EPE Capital Partners Ltd, a public company incorporated in accordance with the laws of Mauritius, with registration number: C138883 C1/GBL, all the issued A Ordinary Shares of which are admitted to listing and trading on the JSE, or, to the extent applicable, Ethos Capital Partners Ltd acting through Ethos Direct Investments GP Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2018/427469/07, in its capacity as the general partner of the Ethos Direct Investment Fund;
"Ethos Committed Portion"	depending on the context, for purposes of the Brait Equity Raise in respect of Ethos Capital, 44.44% and in respect of Ethos Fund VII, 55.56%, as such percentages may be amended by Ethos Capital and Ethos Fund VII (acting together) by notice in writing to Brait, from time to time;
"Ethos Direct Investment Fund"	a private equity fund known as Ethos Direct Investment Fund established by Ethos Private Equity or its associates as a co-investment vehicle which will invest alongside the Ethos Funds;
"Ethos Fund VI"	the private equity fund established by Ethos Private Equity or its associates known as Ethos Private Equity Fund VI or EF VI;
"Ethos Fund VII"	Ethos Fund VII GP (SA) Proprietary Limited, in its capacity as the ultimate General Partner of Ethos Fund VII (A) and Ethos Fund VII (B);
"Ethos Funds"	the funds in which Ethos Capital invests, from time to time, and depending on the context in which the term is used includes, each of, or collectively, Ethos Fund VI, Ethos Fund VII, Ethos Mid Market Fund I, Ethos Mezzanine Fund III, Ethos Mid Market Direct Fund, Ethos Direct Investment Fund, Ethos Healthcare Platform and any other fund to be established by Ethos Private Equity or its associate companies acting through their respective general partners, and "Ethos Fund" or "Fund" shall mean any one of these;
"Ethos Healthcare Platform"	a private equity fund known as Ethos Healthcare Platform established by Ethos Private Equity or its associates known as Ethos Healthcare Platform, which invests in healthcare companies in South Africa and sub-Saharan African countries;
"Ethos Mezzanine Fund III"	a closed-end mezzanine debt fund established by Ethos Private Equity or its associates known as Ethos Mezzanine Fund III to provide mezzanine and quasi-growth or acquisition financing solutions to companies in Southern Africa and East Africa;
"Ethos Mid Market Direct Fund"	a private equity fund known as Ethos Mid Market Direct Investment Fund established by Ethos Private Equity or its associates as a co-investment vehicle which will invest alongside the Ethos Mid Market Fund I;
"Ethos Mid Market Fund I"	a private equity fund established by Ethos Private Equity or its associates known as Ethos Mid Market Fund I;
"Ethos Private Equity"	Ethos Private Equity Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2004/003984/07;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933, as amended;
"FAIS Act"	the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended;
"Financial Adviser"	Rothschild and Co South Africa Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 1999/021764/07;
"Financial Markets Act"	the South African Financial Markets Act, 19 of 2012, as amended;
"FinSurv"	the Financial Surveillance Department of the SARB;
"Foreign Shareholder"	a Shareholder resident in, or that is a citizen of, jurisdictions outside South Africa;
"FSC"	the Financial Services Commission of Mauritius;
"GammaTek"	GammaTek (SA) Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2005/004245/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;

"Gondwana"	Gondwana International Networks Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2013/212157/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Investec"	Investec Bank Limited, a public company incorporated in accordance with the laws of South Africa, with registration number: 1969/004763/06;
"Investment Committee"	the investment committee established by the Board, responsible for, <i>inter alia</i> , evaluating and making decisions relating to investment opportunities on behalf of Ethos Capital;
"IRR"	internal rate of return;
"Irrevocable Subscription Commitments"	the written irrevocable undertakings entered into between Ethos Capital and certain of its Shareholders, in terms of which each such Shareholder irrevocably undertakes to follow all or an agreed portion of the Rights allocated to them in the Rights Offer and to subscribe and make payment of the aggregate price for such number of the resultant Rights Offer Shares issued to them in the Rights Offer in accordance with the terms of this Circular;
"JSE Corporate Action Timetable"	the corporate action timetable of the JSE Limited, (as amended) which is available on the JSE website pursuant to Schedule 2 Form H1;
"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;
"JSE Sponsor"	Rand Merchant Bank;
"JSE"	the Johannesburg Stock Exchange, a licenced exchange operated by JSE Limited;
"Kagiso"	Kagiso Asset Management Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 1998/015218/07;
"Kevro"	Kevro Holdings Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2011/125191/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Last Practicable Date"	Friday, 3 January 2020, being the last practicable date prior to the finalisation of this Circular;
"Laurium Capital"	Laurium Capital Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2007/026029/07;
"Letter of Allocation"	a renounceable (nil paid) letter of allocation issued by Ethos Capital to Qualifying Shareholders, conferring a Right on the holder thereof;
"LuxSE"	the Luxembourg Stock Exchange, a regulated market operated by Société de la Bourse de Luxembourg S.A.;
"Mauritian Companies Act"	the Mauritius Companies Act, 15 of 2001, as amended;
"Mauritius"	the Republic of Mauritius;
"Mergence"	Mergence Group Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2017/348677/07;
"MTN Zakhele Futhi"	MTN Zakhele Futhi (RF) Limited, a public company incorporated in accordance with the laws of South Africa, with registration number: 2016/268837/06, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"NAV"	net asset value;
"Neopak"	Neopak Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2014/215470/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Non-resident"	a person who is not considered to be ordinarily resident in the Common Monetary Area in terms of the Exchange Control Regulations;
"Order"	Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;
"Primedia"	Primedia Holdings Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2013/218170/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;

"Prospectus Regulation"	Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017;
"Qualified Investors"	persons in member states of the EEA who are " <i>qualified investors</i> " within the meaning of Article 2(e) of the Prospectus Regulation;
"Qualifying Shareholder"	a holder of A Ordinary Shares registered as such on the Register on the Record Date (excluding, subject to certain exceptions, holders of A Ordinary Shares in Restricted Territories);
"Rand Merchant Bank"	Rand Merchant Bank, a division of FirstRand Bank Limited, a public company incorporated in accordance with the laws of South Africa with registration number: 1929/001225/06;
"Rand" or "R" and "cents"	South African Rand and cents, the official currency of South Africa;
"Ratio of Entitlement"	the ratio on the basis of which the Rights Offer will be made, being 58.47953 Rights Offer Shares for every 100 A Ordinary Shares held as at the Record Date by Qualifying Shareholders and/or such proportionate lower number of Rights Offer Shares in respect of a holding of less than 100 A Ordinary Shares, as outlined in Annexe A to this Circular;
"Record Date"	means the last time and date for Shareholders to be recorded in the Register in order to participate in the Rights Offer, being 17:00 (SAST) on Friday, 24 January 2020;
"Register"	the register of Shareholders maintained by the Transfer Secretaries;
"Regulation S"	Regulation S under the US Securities Act;
"Relevant Member State"	each member state of the EEA;
"Relevant Persons"	(i) persons who are outside the United Kingdom; or (ii) investment professionals falling within Article 19(5) of the Order; or (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iv) persons to whom the Rights Offer may otherwise lawfully be communicated;
"Remaining Shares"	any Rights Offer Shares not subscribed and paid for by Shareholders or other persons pursuant to the exercise of Rights and any excess allocations in the Rights Offer;
"Restricted Shareholders"	Shareholders on the Record Date with a registered address or who are resident or located in any Restricted Territory (subject to certain exceptions outlined at paragraphs 14 " <i>Foreign Shareholders</i> " and 16 " <i>Representations and Warranties</i> ");
"Restricted Territory"	subject to certain exceptions, the United States, Australia, Canada, Hong Kong, Japan or any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain laws or regulations;
"Right/s"	the right/s to subscribe for Rights Offer Shares at the Rights Offer Price pursuant to the Rights Offer under the Letter/s of Allocation in accordance with the Ratio of Entitlement;
"Rights Offer Price"	the subscription price payable by Qualifying Shareholders per Rights Offer Share, being R7.50, pursuant to the Rights Offer;
"Rights Offer Shares"	up to 100 000 000 new A Ordinary Shares to be issued by Ethos Capital pursuant to the Rights Offer at the Rights Offer Price to raise in aggregate up to R750 million;
"Rights Offer"	the fully committed and underwritten renounceable offer to Qualifying Shareholders on the Record Date to subscribe for the Rights Offer Shares at the Rights Offer Price in the Ratio of Entitlement to raise in aggregate up to R750 million;
"RTT"	RTT Holdings Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2014/026848/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"SARB"	the South Africa Reserve Bank;
"SAST"	South African Standard Time;
"SENS"	the Stock Exchange News Service of the JSE;
"Shareholder"	a registered holder of A Ordinary Shares;
"South Africa"	the Republic of South Africa;
"South African Companies Act"	the South African Companies Act, 71 of 2008, as amended;
"Stanlib Asset Management"	STANLIB Asset Management Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 1969/002753/06;
"Ster-Kinekor"	Ster-Kinekor Theatres Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 1981/700234/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;

"Strate System"	the electronic clearing and settlement system for transactions that take place on the JSE as well as off-market trades, managed by Strate Proprietary Limited, a private company incorporated in accordance with the laws of South Africa with registration number: 1998/022242/07 and which is a registered central securities depository in terms of the Financial Markets Act;
"Synerlytic Group"	Synerlytic Group Holdings Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2018/546243/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"TERP"	theoretical ex-rights price;
"The Beverage Company"	The Beverage Company Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2016/155356/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited, the transfer secretaries of Ethos Capital, which is a private company incorporated in accordance with the laws of South Africa, with registration number: 2004/003647/07;
"Twinsaver"	Twinsaver Holdings Proprietary Limited, a private company incorporated with limited liability in accordance with the laws of South Africa, with registration number: 2014/181359/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Tyme Bank Limited"	Tyme Bank Limited, a public company incorporated in accordance with the laws of South Africa with registration number: 2015/231510/06, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds;
"Underwriters"	collectively, and acting severally and not jointly or jointly and severally, CRFund, Coronation, Laurium Capital, Mergence, and Ethos Private Equity;
"Underwriting Commitments"	the written irrevocable underwriting commitments entered into between Ethos Capital and each of the Underwriters, pursuant to which each Underwriter has agreed, acting severally (and not jointly or jointly and severally), to underwrite the Remaining Shares in the Rights Offer in accordance with their Committed Amounts;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"US Securities Act"	the US Securities Act of 1933;
"Vertice Medtech Group"	Vertice Medtech Group Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2019/049876/07, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds; and
"Waco International"	Waco International Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number: 2000/002938/06, an underlying Portfolio Company, which Ethos Capital has indirectly invested in through its investments into the Ethos Funds.

SALIENT DATES AND TIMES

2020

Declaration announcement released on SENS on	Tuesday, 14 January
Finalisation announcement released by 11:00 (SAST) on SENS on	Thursday, 16 January
Circular made available on Ethos Capital's website, www.ethoscapital.mu on	Tuesday, 21 January
Last day to trade in A Ordinary Shares in order to qualify to participate in the Rights Offer (cum Rights)	Tuesday, 21 January
A Ordinary Shares commence trading ex-Rights on the JSE at 09:00 (SAST) on	Wednesday, 22 January
Listing of and trading in the Letters of Allocation commences under JSE code EPEN and ISIN MU0522H00016 at 09:00 (SAST) on	Wednesday, 22 January
Circular posted to Qualifying Shareholders on (to the extent applicable)	Thursday, 23 January
Record Date for the Rights Offer, at the close of business on	Friday, 24 January
Rights Offer opens at 09:00 (SAST) on	Monday, 27 January
CSDP or Broker accounts of Qualifying Shareholders credited with Letters of Allocation at 09:00 (SAST) on	Monday, 27 January
Last day to trade in Letters of Allocation in order to participate in the Rights Offer on	Tuesday, 4 February
Listing of Rights Offer Shares on the JSE commences at 09:00 (SAST) on	Wednesday, 5 February
Rights Offer closes at 12:00 (SAST) on	Friday, 7 February
Record date for Letters of Allocation on	Friday, 7 February
Rights Offer Shares issued on	Monday, 10 February
In respect of Qualifying Shareholders (or their renounees or purchasers of their Letters of Allocation), CSDP or Broker accounts debited with the aggregate Rights Offer Price and updated with Rights Offer Shares at 09:00 (SAST) on	Monday, 10 February
Results of the Rights Offer announced on SENS on	Monday, 10 February
In respect of successful excess applications (if applicable), Rights Offer Shares issued to Qualifying Shareholders on or about	Wednesday, 12 February

Notes:

- ⁽¹⁾ CSDPs effect payment on a delivery versus payment basis in respect of the Rights Offer Shares.
- ⁽²⁾ Qualifying Shareholders are required to inform their CSDP or Broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between the Qualifying Shareholder and their CSDP or Broker. Qualifying Shareholders are advised to contact their CSDP or Broker as early as possible to establish what the cut-off dates and times are for acceptance of the Rights Offer, as set out in the custody agreement, as this may be earlier than the proposed closing time of the Rights Offer.
- ⁽³⁾ All of the above salient dates and times have been determined based on certain assumptions in relation to the Rights Offer and are subject to change. Shareholders will be notified of any amendments to these salient dates and times on SENS.
- ⁽⁴⁾ Ethos Capital shall inform the FSC of the results of the Rights Offer by no later than Wednesday, 12 February 2020, in accordance with applicable Mauritian law.
- ⁽⁵⁾ For Mauritian law purposes, the Rights Offer will be open for acceptance from the finalisation date, Thursday, 16 January 2020. However, for JSE purposes and as outlined above, the Rights Offer opens at 09:00 (SAST) on Monday, 27 January 2020, which is the date on which the Letters of Allocation are automatically credited into the relevant CSDP or Broker accounts of Qualifying Shareholders. Qualifying Shareholders are advised to contact their CSDP or Broker as early as possible to establish what the cut-off dates and times are for acceptance of the Rights Offer, as set out in the custody agreement, as this may be earlier than the proposed closing time of the Rights Offer.

SALIENT TERMS OF THE RIGHTS OFFER

Issuer	Ethos Capital
Offer	Rights Offer of up to 100 000 000 Rights Offer Shares to Qualifying Shareholders in terms of the Ratio of Entitlement.
Opening of Rights Offer	The Rights Offer will open for JSE purposes at 09:00 (SAST), on Monday, 27 January 2020.
Closing of Rights Offer	The Rights Offer will close at 12:00 (SAST), on Friday, 7 February 2020.
Rights Offer Share Price	R7.50 per Rights Offer Share.
Underwriting fees	An underwriting fee equal to 1.5% of each Underwriter's Committed Amount.
Amount to be raised	An amount of up to R750 million is intended to be raised by Ethos Capital under the Rights Offer.
Purpose of the Rights Offer	To provide Ethos Capital with the capital required to fund its portion of the investment in Brait through participating in the Brait Equity Raise.
Listing date of Letters of Allocation	The Letters of Allocation will be listed and commence trading on the JSE from 09:00 (SAST) on Wednesday, 22 January 2020.
Issue date of Rights Offer Shares	The Rights Offer Shares will be issued on Monday, 10 February 2020.
Listing of Rights Offer Shares	The Rights Offer Shares will be listed and commence trading on the JSE from 09:00 (SAST) on Wednesday, 5 February 2020.
Payment terms	The Rights Offer Price for the Rights Offer Shares is payable by the CSDPs or Brokers of Qualifying Shareholders on a delivery versus payment basis on Monday, 10 February 2020.



EPE Capital Partners Ltd

Incorporated in the Republic of Mauritius
(Registration number: C138883 C1/GBL)
Share code: EPE
ISIN: MU0522S00005
(the "**Company**" or "**Ethos Capital**")

Directors

Yvonne Stillhart (Chair)*
Derek Prout-Jones*
Kevin Allagapen*
Michael Pfaff*
Yuvraj Juwaheer*

**Independent non-executive*

RIGHTS OFFER CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

1.1 Shareholders are referred to:

- 1.1.1 the announcement released by Ethos Capital on SENS on Wednesday, 27 November 2019, in relation to a proposed strategic equity investment by Ethos Capital, investing alongside Ethos Fund VII, into Brait pursuant to the Brait Equity Raise and the renounceable Rights Offer to be undertaken by Ethos Capital to raise up to R750 million to fund its portion of the aggregate equity investment of R1.35 billion into the Brait Equity Raise; and
- 1.1.2 the declaration announcement released by Ethos Capital on SENS on Tuesday, 14 January 2020 and the finalisation announcement released by Ethos Capital on SENS on Thursday, 16 January 2020 setting out further details of the Rights Offer,

(collectively, the "**SENS Announcements**").

1.2 Under the Rights Offer, Qualifying Shareholders will receive 58.47953 Rights for every 100 A Ordinary Shares held on the Record Date and/or such proportionate lower number of Rights in respect of a holding of less than 100 A Ordinary Shares held on the Record Date on the basis outlined in the Table of Entitlement in **Annexe A** of this Circular. Each Right, represented by a Letter of Allocation, entitles a holder to a renounceable right to subscribe for one new A Ordinary Share at the Rights Offer Price.

1.3 The JSE Limited has approved the admission to listing and trading of the Letters of Allocation and all the Rights Offer Shares on the JSE and the purpose of this Circular is to advise Qualifying Shareholders of the terms and conditions of the Rights Offer in order to make an informed decision in relation to the Rights Offer and to provide Qualifying Shareholders with instructions on how to participate in the Rights Offer.

2. RATIONALE FOR THE RIGHTS OFFER AND USE OF PROCEEDS

Brait Equity Raise

2.1 On Wednesday, 27 November 2019 Brait announced its intention to undertake the Brait Equity Raise of at least R5.25 billion and up to R5.6 billion, and in particular the Brait Rights Offer expected to open on Monday, 3 February 2020, as part of a wider recapitalisation plan and the implementation of a new strategy.

2.2 The Brait Shareholders approved the Brait Equity Raise and matters related thereto on 14 January 2020. The Brait Rights Offer as outlined in the Brait announcement of Wednesday, 27 November 2019, is subject to conditions customary for equity capital market transactions of this nature, including the approvals of the LuxSE and the JSE Limited.

- 2.3 As outlined in the Ethos Capital SENS Announcements, the Brait Equity Raise will see the introduction of Ethos Capital and Ethos Fund VII as new strategic investors through their aggregate equity investment of R1.35 billion into the Brait Equity Raise, which Brait Equity Raise will be implemented in part by way of a fully committed and underwritten equity capital raise of up to R5.25 billion pursuant to the renounceable Brait Rights Offer to Brait Shareholders and, to the extent applicable, a non-pre-emptive specific issue to Ethos Capital, investing alongside Ethos Fund VII, of Brait Top-Up Subscription Shares for an aggregate subscription amount of up to R350 million, as envisaged in the Brait Underwriting Commitment Agreement.
- 2.4 As outlined in the declaration and finalisation announcement issued by Brait in relation to the Brait Rights Offer, the Brait Rights Offer Price is R6.60 per Brait Rights Offer Share.
- 2.5 Ethos Capital, alongside Ethos Fund VII, and each in accordance with their Ethos Committed Portion, will invest in the Brait Equity Raise in the following manner:
- 2.5.1 directly underwriting through following the rights to subscribe for Brait Rights Offer Shares that have been renounced by the Brait Major Shareholder to Ethos Capital and Ethos Fund VII in terms of the Brait Major Shareholder Agreement, pursuant to which, *inter alia*: (i) the Brait Major Shareholder has agreed to irrevocably and unconditionally renounce part of its entitlements to the Brait Rights Offer Shares with an aggregate subscription price of R1 billion in favour of Ethos Capital investing alongside Ethos Fund VII and (ii) Ethos Capital and Ethos Fund VII have irrevocably agreed to subscribe for such Brait Rights Offer Shares;
- 2.5.2 in addition, Ethos Capital and Ethos Fund VII have agreed to provide the Brait Underwriting Commitment pursuant to the Brait Underwriting Commitment Agreement to underwrite the subscription for Brait Rights Offer Shares not taken up in the Brait Rights Offer, at the Brait Rights Offer Price up to a maximum aggregate commitment of R350 million; and/or
- 2.5.3 to the extent that Ethos Capital and Ethos Fund VII do not subscribe for Brait Rights Offer Shares for the maximum amount of R350 million pursuant to the Brait Underwriting Commitment and hence do not achieve the minimum guaranteed investment of R1.35 billion in Brait under the Brait Equity Raise, Brait will undertake a non-pre-emptive specific issue of Brait Top-Up Subscription Shares of up to R350 million to Ethos Capital and Ethos Fund VII at the Brait Rights Offer Price to ensure that Ethos Capital and Ethos Fund VII achieve their aggregate minimum guaranteed investment of R1.35 billion in Brait under the Brait Equity Raise.
- 2.6 An underwriting fee of 2% on the aggregate amount of ordinary shares in the share capital of Brait ("**Brait Shares**") that will be subscribed for by Ethos Capital, investing alongside Ethos Fund VII, as outlined in paragraph 2.5 of this Circular, multiplied by the Brait Rights Offer Price will be payable to Ethos Capital and Ethos Fund VII by Brait on closing of the Brait Rights Offer.
- 2.7 Ethos Private Equity has agreed not to charge Ethos Capital any management or participation fees on its investment in the Brait Equity Raise.
- 2.8 Post the Brait Rights Offer, any Brait Shares acquired by Ethos Capital will be subject to a customary lock-up for a period of 90 days post the Brait Rights Offer.
- 2.9 Brait has secured underwriting commitments of an aggregate amount of R2.122 billion from (i) the Brait Major Shareholder (R250 million), (ii) Ethos Capital, investing alongside Ethos Fund VII (R350 million); and (iii) Rand Merchant Bank (R1.522 billion).
- 2.10 The net proceeds from the Brait Equity Raise (after deduction of costs, fees and expenses related to the Brait Equity Raise) are intended to be used by Brait for the repayment of a portion of the remaining Brait 2020 convertible bonds at or before their maturity on 18 September 2020, and to partially repay the BML revolving credit facility and thereafter for general corporate and financing purposes.
- 2.11 As outlined in the SENS Announcements, in order for Ethos Capital to fund its portion of the aggregate commitments of R1.35 billion into the Brait Equity Raise, Ethos Capital proposes to raise up to R750 million pursuant to the implementation of the Rights Offer.

Rationale for the Rights Offer

- 2.12 The Board and the Investment Committee have approved Ethos Capital's participation in the Brait Equity Raise as envisaged in the Brait Underwriting Commitment Agreement.
- 2.13 The purpose of the Rights Offer is to facilitate Ethos Capital's investment in the Brait Equity Raise alongside Ethos Fund VII as outlined above.
- 2.14 In the Board's view, the participation in the Brait Equity Raise presents a unique investment opportunity for Ethos Capital, alongside Ethos Fund VII, which is in line with Ethos Capital's investment strategy.
- 2.15 Brait has a portfolio of high-quality assets and the Brait Board has resolved to revise its strategy from that of an investment holding company to focusing on maximising value through the realisation of its existing assets over the next five years and returning capital to Brait Shareholders. The Brait Equity Raise will provide Brait with sufficient funding headroom to implement the new strategy and provides Brait with sufficient flexibility to manage its portfolio of investments and to execute on the new strategy in an optimal manner. Ethos Private Equity will assume the role as the advisor to the Brait Board on the overall portfolio value optimisation and maximisation strategy pursuant to the Brait Advisory Agreement.

- 2.16 Ethos Private Equity has a 35-year history of generating realised returns for investors and will bring a different perspective to the Brait portfolio leveraging its value-add expertise, execution capability and exit track record to execute Brait's new strategy. As part of the transaction, certain senior members of the Brait team will be joining Ethos Private Equity, thereby bringing together two of the most experienced private equity teams in Southern Africa and ensuring both continuity and a smooth transition of the advisory services to the Brait Board.
- 2.17 Participating in the Brait Equity Raise will provide Shareholders with access to a high quality asset base that complements the Company's existing investments, adding sector and geographic diversification. The potential unlock of value through the Brait value realisation strategy could provide strong capital flows to Ethos Capital over the medium term, which will have a positive impact on returns and liquidity.
- 2.18 Applying the Brait Rights Offer Price to Brait's NAV per Brait Share of R38.00 as reported in the Brait 2020 Interim Results, the NAV per Brait Share would equate to R17.46 per Brait Share post the implementation of the Brait Rights Offer.
- 2.19 Based on the Brait Rights Offer Price, Ethos Capital and Ethos Fund VII's effective in-price would be R7.99 per Brait Share, which represents a discount of 54.2% to the NAV of R17.46 per Brait Share, calculated as outlined at paragraph 2.18 above based on the reported information contained in the Brait 2020 Interim Results, post the implementation of the Brait Rights Offer.

The Brait Major Shareholder Agreement

- 2.20 Ethos Capital and Ethos Fund VII have entered into the Brait Major Shareholder Agreement to give effect to their strategic equity investment in Brait pursuant to the Brait Equity Raise. The following key matters are addressed in the Brait Major Shareholder Agreement:
 - 2.20.1 in terms of the Brait Major Shareholder Agreement, (i) the Brait Major Shareholder has agreed to irrevocably and unconditionally renounce part of its entitlements to the Brait Rights Offer Shares with an aggregate subscription price of R1 billion in favour of Ethos Capital investing alongside Ethos Fund VII, and (ii) Ethos Capital and Ethos Fund VII have irrevocably agreed to subscribe for such Brait Rights Offer Shares;
 - 2.20.2 in consideration for the renunciation by the Brait Major Shareholder of its rights to the Brait Rights Offer Shares in terms of 2.20.1 above, Ethos Capital and Ethos Fund VII will compensate the Brait Major Shareholder for a portion of the value of the rights to Brait Rights Offer Shares so renounced by the Brait Major Shareholder in favour of Ethos Capital and Ethos Fund VII, by:
 - 2.20.2.1 granting the Brait Major Shareholder the right to acquire a certain number of the Brait Rights Offer Shares ultimately subscribed for by Ethos Capital and Ethos Fund VII in terms of the Brait Equity Raise for zero consideration, based on a sharing ratio determined with reference to the Brait Rights Offer Price (the "**Brait Major Shareholder A Option**"); and
 - 2.20.2.2 paying the Brait Major Shareholder up to 50% of the underwriting fee paid to Ethos Capital and Ethos Fund VII under the Brait Underwriting Commitment Agreement (the "**Underwriting Fee Portion**").
- 2.21 Based on the Brait Rights Offer Price, Ethos Capital and Ethos Fund VII expect to be issued 204.5 million Brait Rights Offer Shares in terms of the Brait Equity Raise and expect to deliver 35.6 million Brait Rights Offer Shares to the Brait Major Shareholder in terms of the Brait Major Shareholder A Option as outlined in 2.20.2.1 above, resulting in Ethos Capital and Ethos Fund VII holding in aggregate 12.8% of the issued Brait Shares post implementation of the Brait Equity Raise. Similarly, based on the Brait Rights Offer Price, Ethos Capital and Ethos Fund VII expect to be paid an underwriting commission of R27.0 million, up to 50% of which will be paid to the Brait Major Shareholder in terms of the Underwriting Fee Portion.

The Brait Advisory Agreement

- 2.22 As outlined above, Ethos Private Equity and BML have entered into the Brait Advisory Agreement, in terms of which Ethos Private Equity will advise the Brait Board on the new overall portfolio optimisation and value maximisation strategy. The Brait Advisory Agreement takes effect from completion of the Brait Rights Offer and, as a result, BML has agreed to terminate the existing investment advisory and administrative services agreement entered into between BML, Brait South Africa Proprietary Limited and Brait Advisory Services UK Limited prior to the completion of the Brait Rights Offer.
- 2.23 The Brait Advisory Agreement has an initial three-year tenor (effective from the completion of the Brait Rights Offer), with an annual renewal thereafter. The Brait Advisory Agreement will be at an initial reduced annual cost of R100 million (grown annually at inflation) and the Brait Board and Ethos Private Equity have undertaken to annually assess the appropriateness of the annual costs associated with the advisory services provided pursuant to the Brait Advisory Agreement in the context of resources required to implement the strategic business plans for each particular year.
- 2.24 The Brait Board and Ethos Private Equity will also look to structure an annual incentive-based payment that would be payable to Ethos Private Equity upon the achievement of pre-determined annual objectives designed to create shareholder value. In addition, a new incentive structure will be developed aligning the interests of Ethos Private Equity and the Brait Shareholders.

Overview of Brait

- 2.25 Brait is an investment holding company whose Brait Shares are primarily listed on the Euro MTF market of the Luxembourg Stock Exchange with a secondary listing on the JSE.

2.26 According to the Brait 2020 Interim Results:

2.26.1 The total assets of Brait were c. R30.69 billion.

2.26.2 The NAV per Brait Share was R38.

2.26.3 Brait’s major portfolio companies comprised the following:

Virgin Active (54% of Brait’s total assets).

2.26.3.1 Virgin Active’s first club was established in 1999 in the UK and since then Virgin Active group has grown to become a leading international health club operator, with clubs across four continents in eight countries (South Africa, UK, Italy, Australia, Namibia, Botswana, Thailand and Singapore), serving over 1.2 million members worldwide. Virgin Active’s purpose is to make exercise irresistible by delivering feel good exercise experiences at a time and place convenient for its members and its ambition is to become the world’s most loved exercise brand, delivering outstanding exercise experiences in clubs, outdoors and soon, digitally. Virgin Active benefits from strong brand awareness in each of its markets, attracting members and employees who value an association with an aspirational global lifestyle brand;

Premier (28% of Brait’s total assets).

2.26.3.2 Premier was founded in 1820 and is a leading South African fast moving consumer goods (“FMCG”) manufacturer offering branded and private label solutions. Its strong heritage brands include Snowflake (wheat flour), Iwisa No 1, SuperSun and Nyala (maize meal), Blue Ribbon (bread), Lil-lets (feminine hygiene), Manhattan and Super C (sugar confectionery) and the Companhia Industrial da Matola S.A. food portfolio (Top Score, Polana, Florbela and Favorita) in Mozambique. Premier serves all channels to the market and operates through a wide footprint across South Africa, Eswatini, Lesotho and Mozambique with a Lil-lets sales office in the UK. Premier produces and sells c. 530 million loaves of bread per annum and has significant exposure to the informal market which accounts for c. 70% of bread and milling sales volumes;

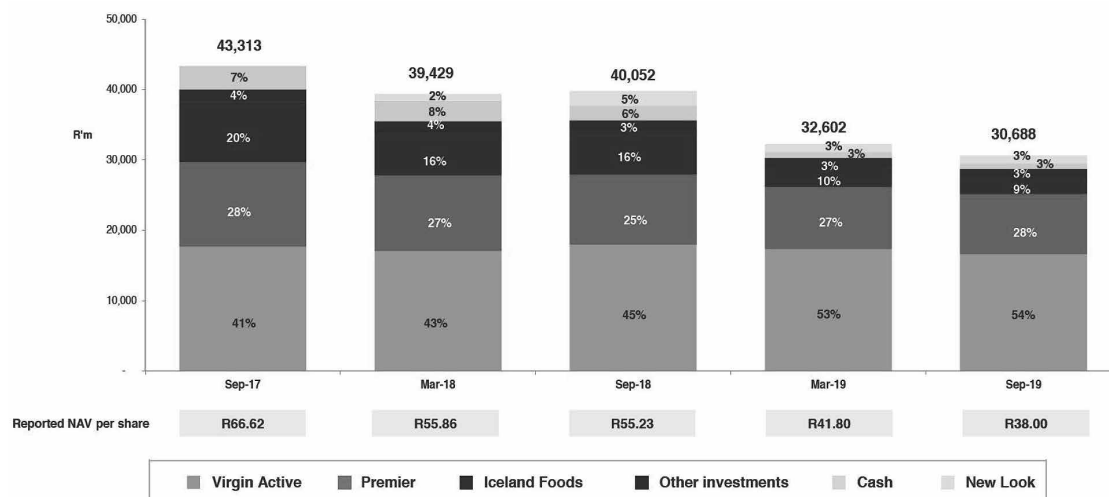
Iceland Foods (9% of Brait’s total assets).

2.26.3.3 Founded in 1970, Iceland Foods is a UK-based national food retailer. Iceland has an estate of over 966 UK stores mainly in convenient high street locations and 106 larger format Food Warehouse stores mainly in out of town retail parks. Iceland is best known for its frozen food offering where it has a c. 16% share of the UK frozen market. Iceland targets value seeking families, providing a compelling ‘value for money’ proposition. The Food Warehouse concept, launched in 2014, continues to expand successfully and the ongoing Iceland refit programme is transforming stores and revitalising growth; and

New Look (3% of Brait’s total assets).

2.26.3.4 Founded in 1969, New Look is a leading UK multichannel fast-fashion brand, offering exciting, on-trend, value-fashion with a broad appeal for women, men and teenage girls, and is the number 1 UK Womenswear retailer for ages 18 to 34. New Look’s flexible fast-fashion business is built on an agile global supply chain across suppliers and factories in c. 25 countries with the ability to respond quickly to emerging trends, providing an exciting shopping experience in-store at nearly 500 locations and online through its transactional websites and mobile apps, serving customers in 67 countries across the globe. New Look’s ranges of apparel, footwear and accessories are designed for a broad spectrum of ages from early teens to 45 and over. New Look’s management team continues to deliver on its turnaround plan which concentrates on five areas of strategic focus: (i) return to proven broad appeal product, (ii) fundamentally realigned supply chain, (iii) cohesive commercial multichannel model, (iv) significant efficiency and cost savings, and (v) people.

2.27 The table extracted below from the Brait 2020 Interim Results sets out Brait’s reported assets and percentage weightings for the six month period ended 30 September 2019.



3. TERMS OF THE RIGHTS OFFER

- 3.1 Ethos Capital hereby offers a total of up to 100 000 000 Rights Offer Shares for subscription to Qualifying Shareholders at the Rights Offer Price, upon the terms and conditions set out in this Circular. The Rights Offer is made by way of the issue of renounceable Rights to Qualifying Shareholders in terms of the Letters of Allocation, which will give holders the right to subscribe for Rights Offer Shares at the Rights Offer Price of R7.50 per Rights Offer Share in accordance with the Ratio of Entitlement.
- 3.2 In terms of applicable Mauritian law, the Rights Offer cannot be extended to EPE Trust, which is the holder of the notionally encumbered A Ordinary Shares, and the Company as the holder of treasury shares. Consequently, the number of issued A Ordinary Shares entitled to participate in the Rights Offer is 171 000 000. For further information, see paragraph 28.1.1 "Share Capital Information - Share Capital".
- 3.3 The Rights Offer Shares are fully committed and underwritten as detailed in paragraph 7 "Underwriting and Subscription Undertakings".
- 3.4 Excess applications will be allowed as detailed in paragraph 9 "Excess Applications".
- 3.5 The Rights Offer Shares will, upon allotment and issue, rank *pari passu* with all other issued A Ordinary Shares and shall be fully paid up and freely transferable.
- 3.6 No securities are offered as a preferential right to any person under the Rights Offer, other than as contemplated in the terms and conditions of the Rights Offer as set out in this Circular.
- 3.7 **The Board reserves the right, in its discretion, to decide not to proceed with the Rights Offer until 11:00 on the last day to trade in the A Ordinary Shares in order to participate in the Rights Offer, expected to be Tuesday, 21 January 2020, on the basis that the finalisation date announcement in respect of the Brait Rights Offer has not been issued by Brait by such time or if Brait has announced that it is no longer proceeding with the Brait Rights Offer and/or the Brait Equity Raise. This discretion will include, but not be limited to, the right to amend the timetable for the Rights Offer.**

4. RIGHTS OFFER PERIOD

The Rights Offer will open, for JSE purposes, at 09:00 (SAST) on Monday, 27 January 2020 and will close at 12:00 (SAST) on Friday, 7 February 2020. The Letters of Allocation are negotiable and will be listed on the JSE from 09:00 (SAST) on Wednesday, 22 January 2020 until close of business (SAST) on Tuesday, 4 February 2020 under Alpha Code EPEN and ISIN MU0522H00016. The Rights Offer Shares cannot be traded on the JSE before 09:00 (SAST), on Wednesday, 5 February 2020.

5. RIGHTS

The Letters of Allocation conferring the Rights on the Qualifying Shareholders are expected to be automatically credited into the relevant CSDP or Broker account of Qualifying Shareholders on or about Monday, 27 January 2020.

6. FRACTIONAL ENTITLEMENTS

- 6.1 Only whole numbers of Rights Offer Shares will be issued to Qualifying Shareholders. The allocation of Rights Offer Shares will be such that Qualifying Shareholders will not be allocated a fraction of a Rights Offer Share and accordingly entitlements to Rights Offer Shares of 0.5 or greater will be rounded up and less than 0.5 will be rounded down to the nearest whole number.
- 6.2 Qualifying Shareholders holding less than 100 A Ordinary Shares (if any), or not a whole multiple of 100 A Ordinary Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in the Ratio of Entitlement in accordance with the Table of Entitlement in Annexe A.

7. UNDERWRITING AND SUBSCRIPTION UNDERTAKINGS

- 7.1 The Rights Offer is fully committed and underwritten. Ethos Capital has entered into the irrevocable Underwriting Commitments with certain existing Shareholders and other investors, as Underwriters, pursuant to which the Underwriters have agreed that if, and to the extent that, there are any Remaining Shares, they will subscribe at the Rights Offer Price, severally (and not jointly or jointly and severally), for the Remaining Shares as principal or will procure that their clients so subscribe for the Remaining Shares, as the case may be, in each case in proportions determined by Ethos Capital in its discretion, subject to each Underwriter's Committed Amount being:
 - 7.1.1 CRFund: R200 million;
 - 7.1.2 Coronation: R130 million;
 - 7.1.3 Laurium Capital: R38 million;
 - 7.1.4 Mergence: R30 million; and
 - 7.1.5 Ethos Private Equity: R22 million.
- 7.2 The Directors have made due and careful enquiry to confirm that the Underwriters are able to meet their commitments in terms of the Rights Offer.
- 7.3 Pursuant to the terms of the Underwriting Commitments, an underwriting fee equal to 1.5% (inclusive of any VAT or other taxes) of each Underwriter's Committed Amount is payable by Ethos Capital to each Underwriter post-closing of the Rights Offer and subject to each Underwriter complying with its obligations under their Underwriting Commitment. The underwriting fee is, in the opinion of the Board, not greater than the current market rate charged by underwriters.

- 7.4 In addition, Ethos Capital has obtained the Irrevocable Subscription Commitments from certain Shareholders representing c. 44% of the issued A Ordinary Shares, in terms of which each such Shareholder has irrevocably undertaken to follow all or a portion of the Rights allocated to them in the Rights Offer and to subscribe and make payment of the aggregate price for the resultant number of Rights Offer Shares issued to them in the Rights Offer in accordance with the terms of this Circular as follows:
- 7.4.1 The family trusts of Derek Prout-Jones and Michael Pfaff, which they manage and invest through 4 Decades Capital, to follow Rights up to a fixed rand value of R20 million;⁽¹⁾
 - 7.4.2 Abax: in respect of all of the A Ordinary Shares held by it at the relevant time, being 17 090 118 A Ordinary Shares as at the Last Practicable Date;
 - 7.4.3 Kagiso: in respect of all of the A Ordinary Shares held by it at the relevant time, being 15 700 000 A Ordinary Shares at the Last Practicable Date;
 - 7.4.4 Mergence, in respect of all of the A Ordinary Shares held by it at the relevant time, being 13 967 102 A Ordinary Shares as at the Last Practicable Date;
 - 7.4.5 Coronation, in respect of all of the A Ordinary Shares held by it at the relevant time, being 10 185 994 A Ordinary Shares as at the Last Practicable Date;
 - 7.4.6 Ethos Private Equity, in respect of all of the A Ordinary Shares held by it at the relevant time, being 5 250 000 A Ordinary Shares as at the Last Practicable Date;
 - 7.4.7 ClucasGray: in respect of 4 000 000 A Ordinary Shares held by it;
 - 7.4.8 Peter Hayward-Butt, in respect of all of the A Ordinary Shares held by him at the relevant time, being 914 000 A Ordinary Shares as at the Last Practicable Date;
 - 7.4.9 Yvonne Stillhart, in respect of all of the A Ordinary Shares held by her at the relevant time, being 610 000 A Ordinary Shares as at the Last Practicable Date; and
 - 7.4.10 Jean-Pierre van Onselen: in respect of all the A Ordinary Shares held by him at the relevant time, being 200 000 A Ordinary Shares as at the Last Practicable Date.
- 7.5 A fee equal to 1.5% (inclusive of any VAT or other taxes) of the number of Rights Offer Shares subscribed for in the Rights Offer multiplied by the Rights Offer Price is payable by Ethos Capital to the above Shareholders.

8. MINIMUM SUBSCRIPTION

The Rights Offer Shares are fully committed and underwritten in terms of the Underwriting Commitments and the Irrevocable Subscription Commitments as discussed in paragraph 7 "*Underwriting and Subscription Undertakings*". The irrevocable Underwriting Commitments, together with the Irrevocable Subscription Commitments, secured by Ethos Capital cover its portion of the aggregate investment commitment in Brait pursuant to the Brait Equity Raise.

9. EXCESS APPLICATIONS

- 9.1 All Rights Offer Shares not taken up by Qualifying Shareholders under the Rights Offer will be available for allocation to Qualifying Shareholders who wish to apply for a greater number of Rights Offer Shares than those offered to them in terms of the Rights Offer. Accordingly, Qualifying Shareholders may also apply for additional Rights Offer Shares in excess of the Rights Offer Shares allocated to that Qualifying Shareholder in terms of the Rights Offer on the same terms and conditions as those applicable to the Rights as set out in this Circular. The right to apply for additional Rights Offer Shares is transferable on renunciation of the Letters of Allocation.
- 9.2 Qualifying Shareholders (or their renounees) wishing to apply for excess Rights Offer Shares should instruct their CSDP or Broker, in terms of the custody agreement entered into between themselves and their CSDP or Broker, as to the number of excess Rights Offer Shares for which they wish to apply.
- 9.3 An announcement is expected to be released on SENS on Monday, 10 February 2020, stating the results of the Rights Offer and the basis of allocation of any excess Rights Offer Shares for which application is made.
- 9.4 The pool of Rights Offer Shares available to meet excess applications will be dealt with on the following basis:
 - 9.4.1 if all the Rights Offer Shares are taken up in the Rights Offer, then no additional Rights Offer Shares will be available for allocation to applicants;
 - 9.4.2 if the Rights Offer Shares taken up in the Rights Offer and the excess applications together are less than or equal to 100% of the number of Rights Offer Shares available, the Directors will allocate any or all excess applications in full; or
 - 9.4.3 if the Rights Offer Shares taken up in the Rights Offer and the excess applications together exceed 100% of the number of Rights Offer Shares available, the pool of the excess application rights will be allocated equitably, taking cognisance of the number of A Ordinary Shares held by each excess applicant on the Record Date, the number taken up as a result of the Rights Offer and the number of excess applications applied for by such applicant.
- 9.5 Non-equitable allocations of excess Rights Offer Shares will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 A Ordinary Shares.
- 9.6 Rights Offer Shares in respect of successful excess applications are expected to be issued to Qualifying Shareholders on or about Wednesday, 12 February 2020.

⁽¹⁾ This includes Rights renounced and/or transferred to 4 Decades Capital by Black Hawk.

10. **PROCEDURES FOR ACCEPTANCE OF RIGHTS**
- 10.1 The Letters of Allocation are expected to be automatically credited into the relevant CSDP or Broker account of Qualifying Shareholders on or about Monday, 27 January 2020. Qualifying Shareholders will receive a notification from their CSDP or Broker regarding their Letters of Allocation.
- 10.2 If you wish to subscribe for the Rights Offer Shares to which you are entitled (or any excess), you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker.
- 10.3 Ethos Capital does not take any responsibility and nor will it be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to dispose of their Letters of Allocation.
11. **PROCEDURES FOR SALE OR RENUNCIATION OF RIGHTS**
- 11.1 Qualifying Shareholders that wish to dispose of or renounce some or all of their Letters of Allocation should make the necessary arrangements with their CSDP or Broker in the manner and time stipulated in the custody agreement governing the relationship between such Qualifying Shareholders and their CSDP or Broker.
- 11.2 Ethos Capital does not take any responsibility and nor will it be held liable for any failure on the part of any CSDP or Broker to dispose of or renounce some or all of the Letters of Allocation of any Qualifying Shareholder.
12. **LAPSE OF RIGHTS**
- 12.1 **Qualifying Shareholders**
- 12.1.1 Qualifying Shareholders who do not subscribe for their entitlement of Rights Offer Shares, or sell or renounce their Letters of Allocation, risk their Rights lapsing if they fail to provide the relevant instructions to their CSDP or Broker in relation to the Rights Offer as notified by their CSDP or Broker in accordance with the terms and conditions of this Circular. Should such Rights lapse, such Qualifying Shareholders will not be entitled to any economic benefit under the terms of the Rights Offer.
- 12.1.2 Qualifying Shareholders that do not take up their Rights will continue to own the same number of A Ordinary Shares following the implementation of the Rights Offer, but their percentage holding in the issued A Ordinary Shares in Ethos Capital will be diluted.
- 12.1.3 None of Ethos Capital, the Transfer Secretaries or any Broker appointed by them will be responsible for any loss or damage whatsoever suffered by such Qualifying Shareholders in relation to the lapsing of their Rights.
- 12.2 **Restricted Shareholders**
- Subject to certain exceptions, Rights represented by Letters of Allocation credited to Restricted Shareholders will be sold by the Transfer Secretaries on the JSE in an orderly manner for, on behalf of, and for the benefit and risk of such Restricted Shareholders and the net proceeds of such sale will be paid to Restricted Shareholders in Rand as soon as is reasonably practicable after implementing the Rights Offer unless (i) in respect of Shareholders with a registered address or who are resident or located in the United States, the Shareholder validly transfers their Letters of Allocation outside the United States in accordance with Rule 903 or Rule 904 of Regulation S prior to Tuesday, 4 February 2020, which, for the avoidance of doubt, includes transfers over the JSE; or (ii) in respect of other Restricted Shareholders, such Shareholders' Rights are validly transferred outside of the relevant Restricted Territories, in accordance with applicable laws and regulations. None of Ethos Capital, the Transfer Secretaries or any CSDP or Broker appointed by them or Ethos Capital will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales or the remittance of the net proceeds of such sales on behalf of Restricted Shareholders.
13. **PAYMENT**
- 13.1 The Rights Offer Price payable by Qualifying Shareholders on acceptance of the Rights Offer is payable in full and in Rand.
- 13.2 Payment by Qualifying Shareholders will be effected on the Qualifying Shareholders' behalf by their CSDP or Broker, in accordance with the custody agreement governing their relationship with their CSDP or Broker. The CSDP or Broker will effect payment on a delivery versus payment basis.
14. **FOREIGN SHAREHOLDERS**
- General**
- 14.1 The making or acceptance of the proposed offer of the Letters of Allocation and/or Rights Offer Shares to persons who have registered addresses outside South Africa, or who are resident, or located, in, or citizens of, countries other than South Africa, are subject to the applicable laws or regulations of the relevant jurisdiction. Those persons should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to exercise their Rights.
- 14.2 This Circular does not constitute an offer to sell the Letters of Allocation or the Rights Offer Shares to any person in any jurisdiction in which it is unlawful to make such offer to such person, or a solicitation of an offer to buy the Letters of Allocation or the Rights Offer Shares from a person in a jurisdiction in which it is unlawful to make such solicitation.

- 14.3 It is the responsibility of any Shareholder (including, without limitation, custodians, nominees and trustees) outside South Africa wishing to exercise their Rights under the Rights Offer (including a transfer of their Rights) to inform itself about, and observe, the laws and regulations of any relevant territory in connection therewith, including the obtainment of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. This section is intended as a general guide only and any Foreign Shareholder who is in doubt as to its position should immediately consult its professional advisor.
- 14.4 Receipt of this Circular or the crediting of the Letters of Allocation to a CSDP or Broker account will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Circular must be treated as sent for information purposes only and should not be copied or redistributed.
- 14.5 Letters of Allocation will be provisionally allotted to all Qualifying Shareholders on the Register at the Record Date. However, this Circular will not be sent to Restricted Shareholders, except where Ethos Capital is satisfied that such action would not result in contravention of any registration or other legal or regulatory requirement in any jurisdiction.
- 14.6 Although Letters of Allocation may be credited to the CSDP or Broker accounts of Shareholders (that are not Qualifying Shareholders) registered as such on the Record Date: (i) with a registered address, or resident, in one of the Restricted Territories; (ii) in the United States; or (iii) with a registered address, or who hold on behalf of persons located in the United States, or who hold on behalf of any person on a non-discretionary basis who is in the United States, or any state of the United States, such crediting of Letters of Allocation does not constitute an offer to Restricted Shareholders and such Restricted Shareholders will not be entitled to take up Letters of Allocation in the Rights Offer or acquire Rights Offer Shares unless such action would not result in the contravention of any registration or other legal or regulatory requirement in any jurisdiction. See paragraph 12 *"Lapse of Rights–Restricted Shareholders"*.
- 14.7 No person receiving a copy of this Circular and/or receiving a credit of a Letter of Allocation to a CSDP or Broker account may treat the same as constituting an invitation or offer to them unless they are a Qualifying Shareholder, in the relevant territory, and such an invitation or offer could lawfully be made to them or the Letter of Allocation could lawfully be dealt with without contravention of any registration or other legal or regulatory requirements. In such circumstances, this Circular is to be treated as sent for information purposes only and should not be copied or redistributed. Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this Circular or whose CSDP or Broker account is credited with Letters of Allocation should not, in connection with the Rights Offer, distribute or send the same or transfer Letters of Allocation in or into any jurisdiction where to do so would or might contravene local securities law or regulation, including, but not limited to, the United States and the other Restricted Territories. If a credit of a Letter of Allocation is received by any person in their CSDP or Broker account, in each case in any such territory, or by their agent or nominee, they must not seek to exercise the Rights referred to in this Circular or transfer the Letter of Allocation unless Ethos Capital determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who forwards this Circular or transfers a Letter of Allocation into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 14 and paragraph 16 *"Representations and warranties"*.
- 14.8 Ethos Capital reserves the right to treat as invalid and will not be bound to allot or issue a Letter of Allocation or any Rights Offer Shares in respect of any acceptance or purported acceptance of the offer of Rights Offer Shares which: (i) appears to Ethos Capital or its agents to have been executed, effected or dispatched from the United States or any other Restricted Territory; or (ii) purports to exclude the warranties required by paragraph 16 *"Representations and warranties"*.
- 14.9 The attention of Foreign Shareholders who are Restricted Shareholders is drawn to this paragraph 14 and to paragraph 16 *"Representations and warranties"*.
- 14.10 This Circular has been prepared in accordance with the laws and regulations in Mauritius, to the extent applicable, and the JSE Listings Requirements, and not in accordance with, or so as to comply with, the laws and regulations of any other jurisdiction. The information disclosed in this Circular may not be the same as the information that would have been disclosed had this Circular been prepared in accordance with, or so as to comply with, the laws and regulations of any other jurisdiction.
- 14.11 Specific restrictions relating to certain jurisdictions are set out below.

14.12 **United Kingdom**

This Circular is only being distributed to and is only directed at Relevant Persons. The Rights Offer Shares and Letters of Allocation are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Rights Offer Shares or Letters of Allocation will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Circular or any of its contents.

14.13 **Member States of the EEA**

14.13.1 In relation to each Relevant Member State an offer to the public of any Rights Offer Shares or Letters of Allocation contemplated by this Circular may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Rights Offer Shares or Letters of Allocation which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Regulation, except that an offer to the public in that Relevant Member State may be made at any time under the following exemptions under the Prospectus Regulation:

14.13.1.1 to any legal entity which is a Qualified Investor;

14.13.1.2 to fewer than 150 natural or legal persons (other than Qualified Investors); and

14.13.1.3 in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Offer Shares or Letters of Allocation shall result in a requirement for the publication by Ethos Capital of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Rights Offer Shares or Letters of Allocation or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Ethos Capital that it is a Qualified Investor.

14.13.2 For the purposes of this provision, the expression an "offer to the public" in relation to any Rights Offer Shares or Letters of Allocation in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Rights Offer, the Rights Offer Shares and Letters of Allocation to be offered so as to enable an investor to decide to subscribe for or purchase any Rights Offer Shares or Letters of Allocation.

14.13.3 In the case of any Rights Offer Shares or Letters of Allocation being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, warranted and agreed that it is a Qualified Investor and (a) the Rights Offer Shares or Letters of Allocation acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors; or (b) where Rights Offer Shares or Letters of Allocation have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Rights Offer Shares or Letters of Allocation to it is not treated under the Prospectus Regulation as having been made to such persons. Ethos Capital and its affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement.

14.14 **United States**

14.14.1 There will be no public offering of the Letters of Allocation and the Rights Offer Shares in the United States. The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the US Securities Act or under any securities laws and regulations of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws and regulations of any state or other jurisdiction of the United States.

14.14.2 Accordingly, Ethos Capital is not extending the Rights Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, this Circular does not constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any Letters of Allocation or Rights Offer Shares in the United States. Subject to certain exceptions, this Circular will not be sent to any Foreign Shareholder in, or with a registered address in, the United States.

14.14.3 Subject to certain exceptions, any person who acquires Letters of Allocation or the Rights Offer Shares will be required to declare, warrant and agree that it is not, and that at the time of acquiring the Letters of Allocation or the Rights Offer Shares it will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States or any state of the United States prior to taking up or transferring Rights in the Rights Offer or acquiring Rights Offer Shares.

14.14.4 In addition, until 40 days after the commencement of the Rights Offer, an offer, sale or transfer of the Rights Offer Shares or the Letters of Allocation within the United States by a dealer (whether or not participating in the Rights Offer) may violate the registration requirements of the US Securities Act.

14.14.5 Subject to certain exceptions, Rights represented by Letters of Allocation credited to Shareholders with a registered address or who are resident or located in the United States on the Record Date will lapse unless the Shareholder validly transfers their Letters of Allocation outside the United States in accordance with Rule 903 or Rule 904 of Regulation S prior to Tuesday, 4 February 2020, which, for the avoidance of doubt, includes transfers over the JSE, in accordance with applicable laws and regulations.

14.15 **Other Restricted Territories**

14.15.1 Subject to certain exceptions, the Letters of Allocation and the Rights Offer Shares may not be transferred or sold to, or renounced or delivered in, the Restricted Territories. Subject to certain exceptions, no offer of Rights Offer Shares is being made by virtue of this Circular into the Restricted Territories. No person may forward or otherwise transmit this Circular to any territory other than where it is lawful to make the Rights Offer contemplated in this Circular.

14.15.2 Although Letters of Allocation may be credited to the CSDP or Broker accounts of Qualifying Shareholders with a registered address, or resident, in one of the Restricted Territories, such crediting of Letters of Allocation does not constitute an offer to Restricted Shareholders and such Restricted Shareholders will not be entitled to exercise or transfer Rights in the Rights Offer or acquire Rights Offer Shares in the Rights Offer unless such action would not result in the contravention of any registration or other legal or regulatory requirement in any jurisdiction. See paragraph 12 "Lapse of Rights—Restricted Shareholders".

15. **REMAINING SHARES**

15.1 Remaining Shares (if any) will be subscribed for by the Underwriters themselves as principal or such Underwriters will procure that their clients will subscribe for such Remaining Shares, as the case may be, in each case at the Rights Offer Price in proportions determined by Ethos Capital in its discretion, subject to the maximum Committed Amount payable by each Underwriter, in terms of the Underwriting Commitments. See paragraph 7 "Underwriting and Subscription Undertakings".

- 15.2 Subject to certain exceptions, any such client who acquires Remaining Shares will be required to declare, warrant and agree that it is not, and that at the time of acquiring the Letters of Allocation or the Remaining Share it will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States or any state of the United States prior to acquiring Remaining Shares.
- 15.3 In addition, until 40 days after the commencement of the offering of the Remaining Shares an offer or sale of Remaining Shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act.

16. REPRESENTATIONS AND WARRANTIES

16.1 Qualifying Shareholders

Any person who makes a valid acceptance in accordance with the procedures set out in this section represents and warrants to Ethos Capital that, except where proof has been provided to Ethos Capital's satisfaction that such person's use of the Letters of Allocation or the Rights Offer Shares, as the case may be, will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction: (i) such person is not accepting and/or renouncing and/or disposing their Rights from within the United States or any other Restricted Territory; (ii) such person is not in any jurisdiction in which it is unlawful to make or accept an offer to subscribe for Rights Offer Shares; (iii) such person is not accepting for the account of a person located within the United States unless (a) the instruction to accept was received from a person outside the United States and (b) the instructing person has advised such person that it has the authority to give such instruction and that either it (x) has investment discretion or authority over such account or (y) otherwise is acquiring the Rights Offer Shares in an offshore transaction within the meaning of Regulation S; and (iv) such person is not acquiring Rights Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Offer Shares into the United States or any other Restricted Territory.

17. EXCHANGE CONTROL REGULATIONS

- 17.1 On 6 June 2016, FinSurv approved the inward listing of Ethos Capital on the Main Board of the JSE and classified the inward listed A Ordinary Shares as a 'domestic' investment on the JSE for South African exchange control purposes ("**2016 FinSurv Approval**"). In terms of the 2016 FinSurv Approval, the subscription for A Ordinary Shares and trading in A Ordinary Shares subsequent to the admission to listing and trading of A Ordinary Shares on the JSE on 5 August 2016 may only take place in terms of the Exchange Control Regulations.
- 17.2 On 19 November 2019, FinSurv approved the implementation of the Rights Offer and, in line with the 2016 FinSurv Approval, the Rights Offer Shares will be classified as a 'domestic' investment on the JSE for South African exchange control purposes and consequently subscribing for, and trading in, the Rights Offer Shares subsequent to their admission to listing and trading on the JSE on Wednesday, 5 February 2020, will be subject to the Exchange Control Regulations and without the need for resident Qualifying Shareholders to have recourse to their foreign portfolio allowance.
- 17.3 Set out below is a summary of the Exchange Control Regulations applicable to the Rights Offer Shares under the Rights Offer in South Africa only. The following summary is intended only as a guide and is, therefore, not comprehensive. If Qualifying Shareholders are in any doubt as to the appropriate course of action or the application of the Exchange Control Regulations, they are advised to immediately consult their professional advisors.

Resident Qualifying Shareholders

- 17.4 In relation to Qualifying Shareholders that are residents of South Africa or the Common Monetary Area for exchange control purposes -
- 17.4.1 Qualifying Shareholders who are private individuals (i) need not use their foreign capital allowance under the Exchange Control Regulations to subscribe for the Rights Offer Shares and (ii) need not take any additional administrative actions and can instruct its Broker to accept, buy and sell Rights Offer Shares on its behalf in Ethos Capital as it would with any other listed security on the exchange operated by the JSE;
- 17.4.2 Qualifying Shareholders that are institutional investors may subscribe for the Rights Offer Shares without affecting their permissible foreign portfolio investment allowances or foreign exposure limits, provided that they are South African retirement funds, long-term insurers, collective investment scheme management companies and asset managers who have registered with the SARB Financial Surveillance Department as institutional investors for South African exchange control purposes and Authorised Dealers, approved as such by SARB; and
- 17.4.3 Qualifying Shareholders that are South African corporate entities, banks, trusts and partnerships may subscribe for Rights Offer Shares in terms of the Rights Offer without restriction.

Non-resident Qualifying Shareholders

- 17.5 Pursuant to the Exchange Control Regulations of South Africa, Shareholders that are non-residents of South Africa, excluding former residents of the Common Monetary Area will, subject to applicable laws and regulations, be allowed to:
- 17.5.1 exercise Rights in terms of the Rights Offer;
- 17.5.2 purchase or sell Letters of Allocation on the JSE;
- 17.5.3 subscribe for or sell the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE; and,
- 17.5.4 subscribe for excess Rights Offer Shares that have been applied for in terms of the Rights Offer (if applicable), provided that payment is received through normal banking channels in foreign currency, or in Rand from a non-resident Rand account conducted in the books of an Authorised Dealer.

- 17.6 All applications by non-residents of the Common Monetary Area for the above purposes must be made through an Authorised Dealer.

Emigrant Qualifying Shareholders

- 17.7 Where a Right in terms of the Rights Offer falls due to a Shareholder that is a former resident of the Common Monetary Area, which Right is based on shares controlled in terms of the Exchange Control Regulations, only funds in the emigrant's capital account may be used to exercise this Right. Subject to applicable laws and regulations, such funds may also be used to:

- 17.7.1 exercise Rights in terms of the Rights Offer;
- 17.7.2 purchase or sell Letters of Allocation on the JSE;
- 17.7.3 subscribe for or sell the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE; and
- 17.7.4 subscribe for excess Rights Offer Shares that have been applied for in terms of the Rights Offer (if applicable).

- 17.8 All applications by emigrants to use funds in their capital account for the above purposes must be made through the Authorised Dealer in South Africa controlling their remaining assets. Any Rights Offer Shares issued pursuant to the use of funds in the emigrant capital account will be credited to their share accounts at the CSDP controlling their remaining portfolios. The sale proceeds of Letters of Allocation, if applicable, will be returned to the Authorised Dealer for credit to such emigrants' capital accounts.

- 17.9 Any Qualifying Shareholder resident outside the Common Monetary Area who receives this Circular should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription of the Rights Offer Shares to be made.

- 17.10 As the Rights Offer Shares will be issued to Qualifying Shareholders in uncertificated form only, the electronic statement issued in terms of the Strate System will be dispatched by the CSDP or Broker to the address of the emigrant in the records of the CSDP or Broker.

Restricted Shareholders

- 17.11 The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer, and this Circular should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to do so or make such an offer, subject to the terms and conditions of the Circular.

- 17.12 Restricted Shareholders should consult their professional advisors to determine whether any governmental or other consent are required or other formalities need to be observed to allow them to participate in the Rights Offer or trade their Rights.

- 17.13 Qualifying Shareholders holding A Ordinary Shares on behalf of persons who are Restricted Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their Rights under the Rights Offer, does not breach the laws or regulations in the relevant overseas jurisdictions.

Use of proceeds

- 17.14 The use of proceeds of the sale of Letters of Allocation or Rights Offer Shares by Qualifying Shareholders for investments outside the Common Monetary Area requires the prior approval of FinSurv.

18. MAURITIAN LAW

- 18.1 No Shareholder should construe the contents of this Circular and the documentation accompanying it as legal or other advice. The Rights Offer contemplated in terms of this Circular is only applicable to Qualifying Shareholders only and each Shareholder should make its own enquiries and consult its own professional advisors as to the content of this Circular and the documentation accompanying it regarding the acceptance and exercise of its Rights in terms of the Rights Offer.

- 18.2 All transactions arising from the provisions of this Circular and the documentation accompanying it will be governed by and be subject to the laws of Mauritius, to the extent applicable, and the JSE Listings Requirements. Please refer to "*Jurisdiction and Service of Process in Mauritius and Enforcement of Foreign Judgments in South Africa*" commencing on page 3 of this Circular for further information in this regard.

19. TAX CONSEQUENCES

- 19.1 The purchase, renouncing, holding and disposal of the Letters of Allocation or Rights Offer Shares should, for taxation purposes, be treated according to usual rules relating to the categorisation of an asset and its return as capital or revenue in accordance with the taxation laws applicable to each Qualifying Shareholder. The tax treatment of the purchase, renouncing, holding and disposal of the Letters of Allocation or Rights Offer Shares in the hands of Shareholders is dependent on their individual circumstances and the tax jurisdiction applicable to those Shareholders. No Shareholder should construe the contents of this Circular and the documentation accompanying it as tax or other advice.

- 19.2 Shareholders are advised to consult their tax and financial advisors regarding any taxation implications pertaining to them regarding the acceptance of their Rights in terms of the Rights Offer.

20. DOCUMENTS OF TITLE

- 20.1 Ethos Capital will not issue share certificates or statements evidencing or purporting to evidence title to the Rights Offer Shares, which will be issued to Qualifying Shareholders through the Strate System in dematerialised form only in accordance with the provisions of the constitution of Ethos Capital.
- 20.2 Qualifying Shareholders are expected to have their accounts at their CSDP or Broker updated with the Rights Offer Shares to which they are entitled and for which they have subscribed on Monday, 10 February 2019, on a delivery versus payment basis.

21. JSE LISTINGS

The Issuer Regulation Division of the JSE has approved the listings of:

- 21.1 the 100 000 000 Letters of Allocation in respect of all of the Rights Offer Shares with effect from the commencement of trade 09:00 (SAST) on Wednesday, 22 January 2020 to the close of trade (SAST) on Tuesday, 4 February 2020, both days inclusive; and
- 21.2 100 000 000 Rights Offer Shares with effect from the commencement of trade 09:00 (SAST) on Wednesday, 5 February 2020.

22. ESTIMATED EXPENSES IN RELATION TO THE RIGHTS OFFER

It is estimated that Ethos Capital's expenses relating to the Rights Offer will amount to approximately R18.875 million. The expenses include underwriting and commitment fees of R11.250 million as outlined below. Shareholders should also note that Ethos Capital expects to receive the underwriting fee in terms of the Brait Equity Raise after giving effect to its portion of the amount payable to the Brait Major Shareholder as set out in paragraph 2 above "Rationale for the Rights Offer and Use of Proceeds - Brait Major Shareholder Agreement". The estimated expenses (excluding value-added tax, if applicable) relating to the Rights Offer are detailed below:

Nature of expense	Paid/payable to	R'000
Underwriting and subscription commitment fees	Underwriters providing Underwriting Commitments ⁽¹⁾ and Shareholders providing the Irrevocable Subscription Commitments ⁽²⁾	11 250
JSE Sponsor fee	Rand Merchant Bank (A division of FirstRand Bank Limited)	300
Financial Advisor fee	Rothschild and Co South Africa Proprietary Limited	4 000
Legal advisor to Ethos Capital as to South African law	Webber Wentzel	2 800
Legal advisor to Ethos Capital as to Mauritian law	YKJ Legal	120
Printing, publication and distribution	Greymatter & Finch	113
Transfer Secretaries	Computershare Investor Services Proprietary Limited	25
Listing fee	JSE Limited	239
Documentation inspection fee	JSE Limited	28
Total		18 875

Notes:

⁽¹⁾ Refer to paragraph 7.1 "Underwriting and Subscription Undertakings" for further information in this regard.

⁽²⁾ Refer to paragraph 7.4 "Underwriting and Subscription Undertakings" for further information in this regard.

⁽³⁾ As outlined above, an underwriting fee of 2% is payable to Ethos Capital (and Ethos Fund VII) in terms of the Brait Underwriting Commitment Agreement, up to 50% of which will be paid to the Brait Major Shareholder in terms of the Underwriting Fee Portion as outlined in paragraph 2.20.2.2 above.

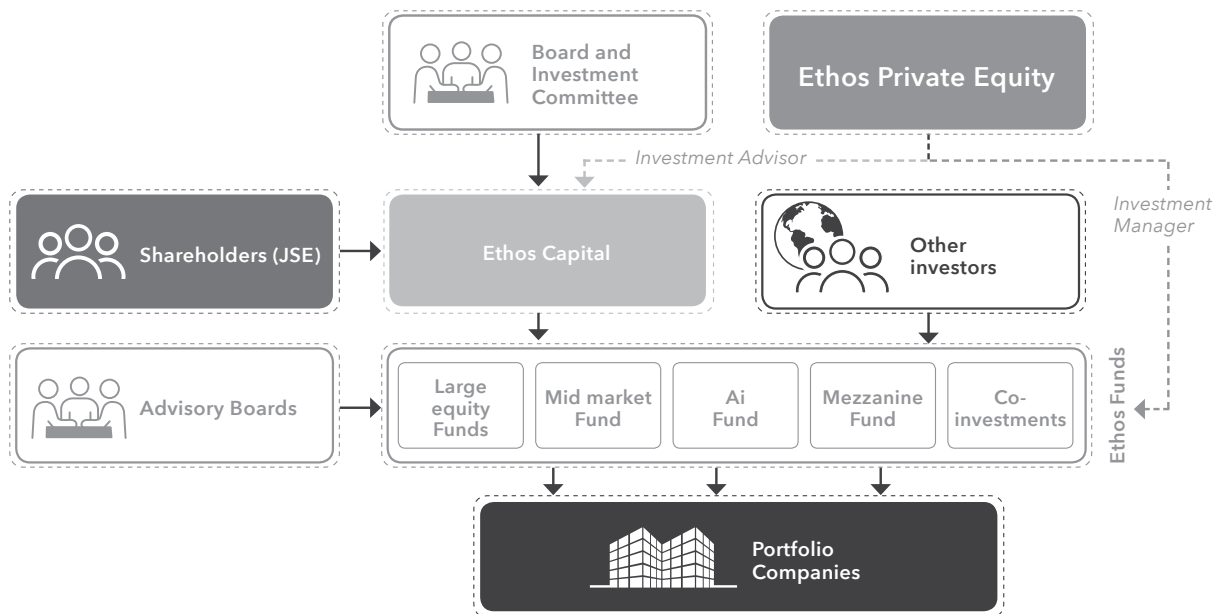
23. HISTORY AND NATURE OF BUSINESS OF ETHOS CAPITAL

23.1 Incorporation and listing

Ethos Capital was registered and incorporated in Mauritius as a private company on 26 May 2016 under the Mauritian Companies Act, and was converted to a public company on 15 July 2016. Ethos Capital is licenced as a Category One Global Business Company by the FSC of Mauritius, with registration number C138883 C1/GBL. The registered address and head office of Ethos Capital is: c/o Ocorian (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Mauritius. Ethos Capital was listed on the Main Board of the JSE on 5 August 2016 as an investment entity in terms of section 15 of the JSE Listings Requirements.

23.2 Business of Ethos Capital

23.2.1 Ethos Capital is an investment holding company that provides its Shareholders with access, indirectly through Ethos Fund investments or co-investments, to a diversified portfolio of unlisted companies ("Portfolio Companies") that are actively managed by Ethos Private Equity. Set out below is an overview of the Ethos Capital corporate and investment structure:



23.2.2 Ethos Capital, through Ethos Private Equity, has an established track record of investing in private equity transactions in South Africa and other sub-Saharan African countries and aims to deliver consistent, market-beating returns through private equity investments actively managed by Ethos Private Equity.

23.2.3 In this regard, Ethos Capital's investment objective is to follow, through Ethos Private Equity, a private equity investment strategy, which includes a high shareholder interventionist model to assist in driving growth and growing companies, designed to provide shareholders with superior long-term returns in a diversified pool of assets, with the ability to access market liquidity in relation to an investment in Ethos Capital.

23.2.4 Ethos Capital invests using primary, secondary and co-investment strategies to access private equity backed companies. In this regard:

23.2.4.1 primary investments consist of commitments to Ethos Funds during their initial fund-raising phase;

23.2.4.2 secondary investments consist of replacing Ethos Funds investors late into or post the investment phase; and

23.2.4.3 co-investment consists of investments into Portfolio Companies directly alongside Ethos Funds.

23.2.5 The Board and Investment Committee are responsible for allocating capital commitments across these three strategies based on, *inter alia*, the macroeconomic outlook, overall portfolio diversification, liquidity constraints and prevailing market sentiment. Once the Board makes a decision to invest in the investment strategies outlined below, Ethos Private Equity is responsible for driving returns from the underlying Portfolio Companies.

23.3 Ethos Private Equity

23.3.1 Founded in 1984, Ethos Private Equity has been in the business of private equity for 35 years with over R14.9 billion of equity invested in 108 transactions, 96 of which have been sold generating a realised gross IRR of 36%. The key factors that differentiate Ethos Private Equity and have led to its sustained outperformance are:

23.3.1.1 Ethos Private Equity has the largest and most experienced team of private equity professionals in sub-Saharan Africa (18 partners and 32 investment professionals).

23.3.1.2 Ethos Private Equity has a world-class governance platform and investment process which leverages the experience of doing deals on the continent for 35 years.

23.3.1.3 Ethos Private Equity operates based on a value add model with the objective of accelerating growth of Portfolio Companies, which is leveraged to provide strategic and operational insights into Portfolio Companies.

23.3.1.4 Ethos Private Equity has significant sector expertise and domain knowledge (such as artificial intelligence) in addition to an extensive understanding of all aspects of the private equity lifecycle.

23.3.2 Further, Ethos Private Equity's long-term success has been a result of institutionalising a set of core competencies, which has been developed over a long period of time and underpins its investment approach. Through pioneering thought leadership, creativity and innovation, Ethos Private Equity has developed a long track record of sustainable, superior returns for investors.

23.3.3 While Ethos Private Equity's primary objective is to maximize stakeholder value by generating superior returns, Ethos Private Equity recognises its role in the broader South African community. As such, Ethos Private Equity is committed to supporting initiatives at the forefront of education and the upliftment and empowerment of disadvantaged people. Ethos Private Equity's social impact is reviewed and evaluated on an annual basis to ensure its initiatives, time and financial contributions are best aligned with its stated purpose and strategic ambition. Ethos Private Equity is committed to supporting initiatives at the forefront of education and welfare for the upliftment and empowerment of disadvantaged people. Approximately 70% of Ethos Private Equity's corporate social investment spend focuses on education-based initiatives.

24. STRATEGY AND PROSPECTS OF ETHOS CAPITAL

- 24.1 Ethos Capital's objective is to develop a diversified portfolio of investments that will provide its Shareholders with superior long-term returns by, *inter alia*, leveraging Ethos Private Equity's active management model to maximise investor returns. This objective is achieved through Ethos Capital's strategy to leverage Ethos Private Equity's investment and private equity skills to generate investment returns that sustainably exceed the relevant listed market benchmarks.
- 24.2 Further, the Ethos Capital investment proposition is based on:
- 24.2.1 **Unique access point:** Ethos Capital offers a unique opportunity to invest in and co-invest alongside Ethos Funds through a liquid and efficient vehicle listed on the JSE and governed by an independent Board of non-executive Directors with deep private equity experience;
 - 24.2.2 **Demonstrated performance:** Ethos Private Equity is the largest private equity firm in sub-Saharan Africa, with an established track record of investment returns delivering a realised gross IRR of c. 36% over more than 30 years;
 - 24.2.3 **Diversification:** Ethos Capital provides public market investors with a liquid vehicle to indirectly access a diversified pool of unlisted small to mid-sized companies through equity or equity-like instruments, which will be actively sourced by Ethos Private Equity to optimise investor returns;
 - 24.2.4 **Alignment of interests:** Strong economic alignment exists between Ethos Private Equity, as investment adviser, and Ethos Capital, as a result of investments by Ethos Private Equity in Ethos Capital's A Ordinary Shares and in the Ethos Funds;
 - 24.2.5 **Experienced private equity non-executive Directors:** The Board has an extensive understanding of and a significant track record in the private equity industry in order to make optimal investment decisions for Ethos Capital;
 - 24.2.6 **Structural efficiency:** Ethos Capital conducts its business operations from Mauritius due to the business-friendly environment; the spread of tax treaties Mauritius has with many of the jurisdictions Ethos Capital invests in; and the acceptance among global investors of Mauritius as an investment jurisdiction. This, combined with Ethos Private Equity's fee structure gives structural efficiency and fiscal transparency to Ethos Capital; and
 - 24.2.7 **Liquidity management:** Ethos Capital actively manages liquidity in the best interests of its Shareholders. As part of its liquidity strategy, the Board is committed to enhancing the NAV per A Ordinary Share. As part of this strategy, the Board may utilise share repurchases to enhance Shareholder value.
- 24.3 For further information, please refer to the Ethos Capital investment guidelines which are available on Ethos Capital's website at www.ethoscapital.mu/wp-content/uploads/2019/09/Ethos-Capital-Investment-strategy-2.pdf.

25. OVERVIEW OF THE INVESTMENT PORTFOLIO

- 25.1 Ethos Private Equity's investment philosophy and strategy is to invest in high quality assets in sub-Saharan Africa (preferably at deep value) and/or businesses that have the propensity to benefit from the following key growth factors:
- 25.1.1 technology-driven disruption to "business as usual";
 - 25.1.2 demand-led growth in higher living standard measure consumer goods;
 - 25.1.3 high impact, differentiated services;
 - 25.1.4 transportable business models scaling across countries;
 - 25.1.5 lowest cost-to-serve, scalable businesses; and
 - 25.1.6 growing connectivity and data access.

Investment Portfolio Overview

As at 30 June 2019, the investment portfolio of Ethos Capital consisted of the following investments:

Investment name	Participation in Ethos Funds/ Co-investments %	Valuation R'000	Share of total assets %
Primary / Secondary investments			
Ethos Mid Market Fund I	38.9	491 933	25.5
Ethos Fund VII	61.0	278 690	14.4
Ethos Ai Fund I	30.6	95 095	4.9
Ethos Fund VI	1.4	92 114	4.8
Ethos Healthcare Platform	14.0	44 727	2.3
Ethos Mezzanine Fund III	14.9	41 681	2.2
Co-investments			
Primedia ⁽¹⁾	4.4	182 420	9.5
Ethos Mid Market Direct Investment Fund ⁽²⁾	7.5	107 029	5.5
Ethos Direct Investment Fund ⁽³⁾	2.1	93 572	4.9
Total invested capital		1 427 261	74.0

⁽¹⁾ Investment in Primedia Group Proprietary Limited and Ster-Kinekor Theatres Proprietary Limited.

⁽²⁾ Investment in Ethos Mid Market Direct Fund, which co-invested in Kevro Holdings Proprietary Limited.

⁽³⁾ Investment in Ethos Direct Investment Fund, which co-invested in Channel VAS Investments Ltd BVI.

Ethos Mid Market Fund

25.2 The Ethos Mid Market Fund I ("**EMMF I**") has a relatively unique position as a majority black owned and controlled entity which has provided the Fund with a significant number of investment opportunities. Since 30 June 2018, EMMF I completed investments in GammaTek, Synerlytic Group and completed the sizeable bolt-on acquisition of Gondwana by Echotel. Gondwana will provide in-country presence and a platform across nine sub-Saharan African countries, which will provide the business with the scale and service offering to compete successfully in the corporate internet service provider markets across Africa. Ethos Fund VII will co-invest alongside EMMF I.

25.3 Ethos Capital has committed R950 million to this Fund out of the Fund's total commitments of R2.5 billion as at 30 June 2019.

Ethos Mezzanine Fund III

25.4 There is a strong pipeline of opportunities for Ethos Mezzanine Partners Fund 3 ("**EMP 3**"), with particular application of the mezzanine product to growth opportunities in sub-Saharan Africa for investee companies looking to access growth capital. In August 2018, EMP 3 made its first investment into Chibuku Products, a FMCG company in Malawi previously owned by AB InBev. The Fund has a number of potential transactions at an advanced stage of due diligence.

25.5 Ethos Capital has committed R250 million to this Fund out of the total commitments of c. R1.7 billion, as at 30 June 2019.

Ethos Fund VI

25.6 Ethos Fund VI ("**EF VI**") concluded a number of transactions (both new acquisitions and bolt-on investments by the Portfolio Companies) in the year ended 30 June 2019 to complete the Fund's investment programme. While Ethos Capital's commitment to Ethos Fund VI is small (US\$10 million), Ethos Capital has made co-investments alongside EF VI, including in relation to Primedia and Vertice.

25.7 In May 2019, EF VI announced the sale of Eaton Towers to American Tower. The investment has been a highly successful one for the Fund and it is expected that this investment will realise, at completion in January 2020, c. 2.4x money back in Rand over the 4.5-year investment period of the Fund.

Ethos Healthcare Platform

25.8 The Ethos Healthcare Platform ("**EHP**") has continued to invest behind the buy-and-build strategy for Vertice, a medical technology ("**MedTech**") business that it acquired in May 2018. EHP has acquired two complementary MedTech businesses and is in advanced discussions with other acquisition targets to create a high-end market-leading, scaled supplier of high-end medical devices. Ethos Capital has invested R43 million into EHP as at 30 June 2019.

Ethos Fund VII

25.9 Ethos Fund VII ("**EF VII**") is the successor equity fund for EF VI (which is now fully invested) and had its first close in October 2018. The Fund completed its first investment into Channel VAS, an airtime credit service provider with operations and contracts with mobile network operators across 28 countries in Africa. Ethos Capital also made a co-investment in Channel VAS, alongside EF VII. EF VII has completed an investment (alongside EMMF I) to facilitate the sizeable bolt-on acquisition of Gondwana by Echotel.

25.10 Ethos Capital has committed R1.25 billion as a first close investor to EF VII.

Ethos Ai Fund I

25.11 The Ethos Ai Fund I ("**EAI F I**") has been established as a co-investment vehicle which will predominantly invest alongside other Ethos Funds in businesses that will benefit from the adoption and implementation of algorithmic decision making. EAI F I had its first close in October 2018 and has invested alongside EF VII in Channel VAS, and alongside the EHP in Vertice. In June 2019, EAI F I announced and completed the acquisition of an interest in TymeBank alongside African Rainbow Capital Limited.

- 25.12 The Fund is exploring a number of interesting data driven transactions, some of which are at an advanced stage of due diligence. Ethos Capital has committed R150 million as a first close investor to EAiF I.

Ethos Mid Market Direct Investment Fund








- 25.13 The Ethos Mid Market Direct Investment Fund ("**EMM Direct**") has been established as a co-investment vehicle which will invest alongside EMMF I. It had its first closing in August 2017 and to date has invested in Kevro. Ethos Capital has committed R100 million to EMM Direct.

Ethos Direct Investment Fund

- 25.14 The Ethos Direct Investment Fund ("**EDI**") has been established as a co-investment vehicle which will invest alongside the Ethos Funds. Ethos Capital made a commitment of R100 million in October 2018 to facilitate the co-investment in Channel VAS alongside EF VII. Ethos Capital intends to make a R600 million commitment to EDI to facilitate the aggregate equity investment of R1.35 billion, alongside EF VII, into Brait under the Brait Equity Raise.

Portfolio Companies

- 25.15 The Ethos Funds invest in a diversified pool of unlisted Portfolio Companies which provides Ethos Capital with a diversified portfolio of underlying investments that are detailed below.
- 25.16 Between June 2018 and June 2019, Ethos Private Equity invested in five and added to two Portfolio Companies across its managed Funds totalling R2.6 billion as at 30 June 2019. The investments consequently made by Ethos Capital during that 12 month period include the following:

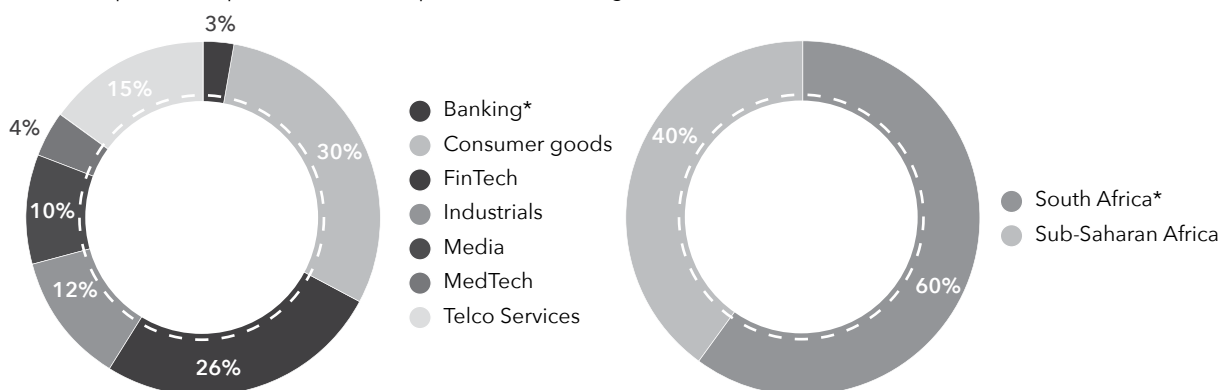
						
Chibuku Product Limited	GammaTek SA Proprietary Limited	Channel VAS DMCC (UAE)	Synerlytic Group	Tyme Bank Limited	Vertice MedtechGroup	The Beverage Company Pty Ltd
R38 million	R98 million	R392 million	R91 million	R46 million	R85 million	R10 million

- 25.17 As a result, Ethos Capital's invested capital increased from 37% at 30 June 2018 to 74% of total assets across the following 19 Portfolio Companies as at 30 June 2019:

Name	Business description	Year*	% of total assets
Channel VAS	FinTech service provider	2018	21.1
Kevro	Corporate clothing and gifting	2017	10.5
Primedia	Media	2017	8.5
Synerlytic	Specialised analytical and testing services	2019	5.5
Gammatek	TMT accessory distribution	2018	5.1
Twinsaver	Manufacturing	2015	3.8
Vertice	MedTech	2018	3.1
TymeBank	Banking	2019	2.4
Chibuku	Brewing and distribution	2018	2.2
MTN Zakhele Futhi	Telecommunications	2017	2.1
Autozone	Automotive parts retailer & wholesaler	2014	2.1
Eazi Access	Industrial support services	2016	1.8
Ster-Kinekor	Media (entertainment)	2017	1.5
Echotel	Corporate ISP	2018	1.4
The Beverage Company	Carbonated drinks manufacturer	2017	0.9
Eaton Towers	Telecoms towers	2015	0.8
RTT	Logistics	2014	0.5
Waco International	Industrial support services	2012	0.4
Neopak	Paper and packaging	2015	0.3
			74.0

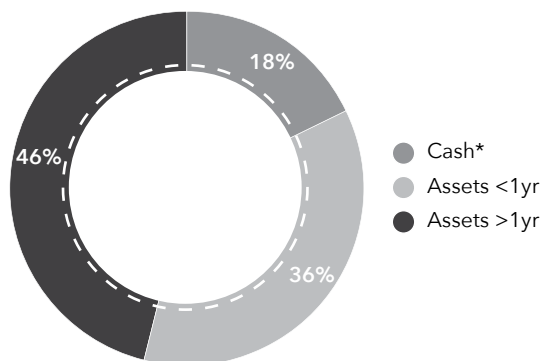
* Initial acquisition date by Ethos Fund.

25.18 Ethos Capital's investment portfolio as at 30 June 2019 has exposure to a total of 19 Portfolio Companies that in aggregate (excluding the results of the MTN Group Limited and Chibuku Products) have sales of over R28 billion and EBITDA of more than R5 billion. The Portfolio Companies span a number of sectors and geographies, providing diversified portfolio exposure for Ethos Capital on the following basis:



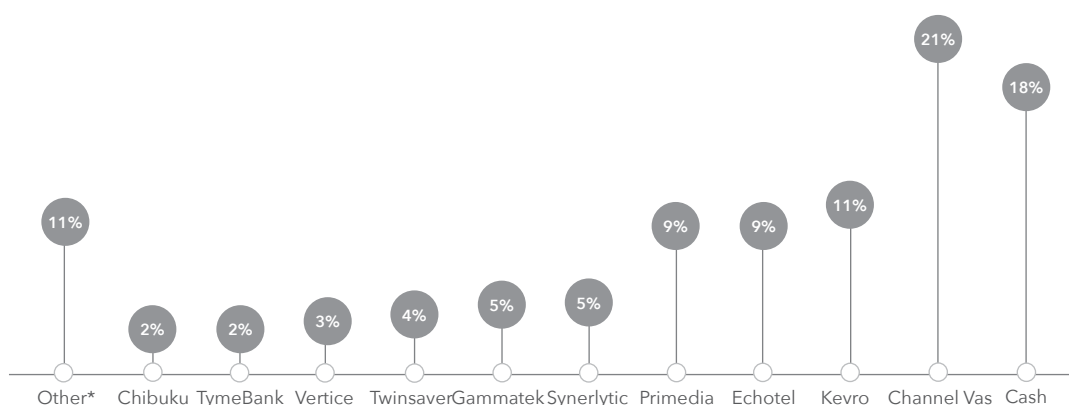
* At 30 June 2019, adjusted for post year-end transactions.

25.19 The Ethos Capital investment portfolio has an (value-weighted) average holding-period of only 1.5 years, with many of the Portfolio Companies in the early stages of their investment cycle. The Portfolio Companies can be expected to begin to benefit from the strategic and operational interventions that the management teams are implementing which should result in positive growth in these companies, as indicated below:



* At 30 June 2019, adjusted for post year-end transactions.

25.20 As at 30 June 2019, the contribution of each underlying Portfolio Company and net cash equivalents or liquidity resources to Ethos Capital's total assets of R1.9 billion, is as follows:



* Including nine portfolio companies.

25.21 Shareholders are reminded that on 12 September 2019, Ethos Capital published a voluntary financial update of the Company since the audited annual results announcement made in September 2019, which voluntary financial update outlined updated information as at 30 September 2019 pertaining to Ethos Capital's invested capital, NAV per share and a summary of recent investment activity.

26. **MAJOR SUBSIDIARIES**

Ethos Capital does not have any major subsidiaries as at the date of this Circular.

27. **TRADING HISTORY OF A ORDINARY SHARES ON THE JSE**

A table setting out the price history of the A Ordinary Shares on the JSE has been included in Annexe C.

28. SHARE CAPITAL INFORMATION

28.1 Share capital

28.1.1 The issued share capital of Ethos Capital, at the Last Practicable Date and after giving effect to the Rights Offer, is set out below:

As at the Last Practicable Date	Number	Rand ('000)
Issued shares		
A Ordinary Shares issued at R10.00 per share	180 000 000	1 800 000
Notionally encumbered A Ordinary Shares issued at R0.01 per share	7 500 000	75
Unlisted B Ordinary Shares	10 000	-
Total share capital ⁽¹⁾	187 510 000	1 800 075
Less unlisted B Ordinary Shares	(10 000)	
Less notionally encumbered A Ordinary Shares at R0.01 per share ⁽²⁾	(7 500 000)	
Less treasury A Ordinary Shares ⁽³⁾	(9 000 000)	
Total share capital in issue for purposes of the Rights Offer	171 000 000	

Note:

⁽¹⁾ There is no share premium account.

⁽²⁾ The Rights Offer cannot be extended to EPE Trust, which is the holder of the notionally encumbered A Ordinary Shares, in terms of Mauritian law.

⁽³⁾ The Company, as a holder of treasury shares, is not entitled to participate in the Rights Offer in terms of Mauritian law.

28.1.2 Assuming that all of the Rights Offer Shares will be subscribed for, the issued share capital of Ethos Capital after the Rights Offer will be:

After implementing the Rights Offer	Number	Rand ('000)
Issued shares		
A Ordinary Shares issued at R10.00 per share	180 000 000	1 800 000
Notionally encumbered A Ordinary Shares issued at R0.01 per share	7 500 000	75
Unlisted B Ordinary Shares	10 000	-
A Ordinary Shares issued at R7.50 per share in Rights Offer	100 000 000	750 000
Total share capital	287 510 000	2 550 075
Less unlisted B Ordinary Shares	(10 000)	
Less notionally encumbered A Ordinary Shares at R0.01 per share	(7 500 000)	
Total share capital post implementation of the Rights Offer	280 000 000	

28.2 Major Shareholders

In so far as it is known to the Directors, the Shareholders that are, directly or indirectly, beneficially interested in 5% or more of the issued A Ordinary Shares, together with the amount of each such Shareholder's interest as at the Last Practicable Date are as follows:

Shareholder name	Number of A Ordinary Shares held at the Last Practicable Date ('000)	Percentage of A Ordinary Shares held at the Last Practicable Date
Stanlib	24.2	12.9%
Abax	17.1	9.1%
Black Hawk ⁽¹⁾	16.7	8.9%
Kagiso	15.7	8.4%
Mergence	14.0	7.4%
Coronation	10.2	5.4%
ClucasGray	9.9	5.3%
Total	107.8	57.4%

Notes:

⁽¹⁾ Black Hawk is a vehicle indirectly owned by Michael Pfaff and Derek Prout-Jones who are both independent, non-executive Directors of Ethos Capital. In addition, Michael Pfaff and Derek Prout-Jones, through 4 Decades Capital, have entered in to an Irrevocable Subscription Commitment as outlined in paragraph 7.4.2 above.

⁽²⁾ Yvonne Stillhart, who is an independent, non-executive Director, has entered into an Irrevocable Subscription Commitment as outlined in paragraph 7.4.10.

⁽³⁾ Although not a Director, Peter Hayward-Butt, who is a senior advisor and the current chief executive officer of Ethos Capital, has entered into an Irrevocable Subscription Commitment as outlined in paragraph 7.4.9 above.

⁽⁴⁾ Although not a Director, Jean-Pierre van Onselen, who is a senior advisor and the current chief financial officer of Ethos Capital, has entered into an Irrevocable Subscription Commitment as outlined in paragraph 7.4.7 above.

29. DIRECTORS' INFORMATION

29.1 Directors of Ethos Capital

29.1.1 The Board comprises of the following Directors:

Full name	Age	Capacity	Business Address	Nationality
Yvonne Stillhart	51	Independent non-executive chairperson	Ocorian (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebene 72201 Mauritius	Swiss
Derek Prout-Jones	57	Independent non-executive director	Ocorian (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebene 72201 Mauritius	South African
Kevin Allagapen	42	Independent non-executive director	Ocorian (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebene 72201 Mauritius	Mauritian
Michael Pfaff	58	Independent non-executive director	Ocorian (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebene 72201 Mauritius	South Africa
Yuvraj Juwaheer	60	Independent non-executive director	Ocorian (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebene 72201 Mauritius	Mauritian

29.1.2 Brief *curricula vitae* of the Board are set out below:

29.1.2.1 **Yvonne Stillhart**, BSC ZFH, Appointed 15 June 2016 (Chairperson, independent non-executive Director)

Yvonne has over 27 years' experience in private equity investing and private equity investment management. She is an independent non-executive member of the Board of Directors of UBS Asset Management Switzerland AG and Chairperson of the Board of Directors and the Finance Committee of Unigestion (Luxembourg) S.A., an alternative investment fund manager, investing globally via direct private equity investments, secondary and primary partnership investments, and also the independent non-executive Chairperson and on the Finance Committees of several Jersey Financial Services Commission registered private equity investment partnerships focusing on Europe.

Yvonne is a seasoned alternative assets and private equity specialist who successfully built a leading private equity organisation. She was a co-founding senior partner and member of the Investment Committee of Akina AG ("**Akina**"), a Swiss-based independent private equity manager. In 2017, Akina was acquired by Unigestion SA to create a market leader with over USD7.5 billion of private equity assets under management. In addition to being instrumental in the integration, build-up and successful leadership of a multinational investment team in an SEC-regulated organisation for more than 12 years, she led investments, developed portfolio and risk management governance and structured investment funds. She was a Board member in a number of corporations and private equity funds across various industries and countries.

Yvonne is an experienced corporate board member and has extensive experience in leading, structuring, executing and managing private equity investments. Earlier in her career, Yvonne spent 12 years at UBS Zurich, with stays in London and New York. She was responsible for a number of high-profile minority equity, buyout, mezzanine, infrastructure, structured debt and equity transactions in Western and Eastern Europe, Turkey and North Africa as well as mergers and acquisitions and capital markets transactions in Europe. She holds a degree in economics and accounting from the University of Applied Sciences in Business Administration, Zurich. Yvonne speaks German, English, Spanish and French.

29.1.2.2 **Yuvraj Juwaheer**, LLB, Appointed 26 May 2016 (Independent non-executive Director)

Yuvraj is the managing partner of YKJ Legal, a law firm in Mauritius. He has considerable experience in corporate and commercial law and advises on corporate and finance transactions, collective investment schemes, trusts, funds structuring and administration, banking and regulatory issues.

He has over 20 years' experience in the global business sector and has previously served as an independent Director for a number of Indian funds. Before founding YKJ Legal, he was a partner of Bedell Cristin (Mauritius) Partnership from November 2010 to November 2016, and prior to that he had been a partner at Citilaw Chambers. He was previously an executive Director of a major licensed management company and a former partner of De Chazal du Mee. He was a member of the steering committee set up by the Mauritian Government in 2004, to consider the opening of the legal profession to international law firms in Mauritius. He also served as the Secretary of the Association of Offshore Management Companies of Mauritius in 2003.

He holds an LLB from the University of London and was called to the bar at the Middle Temple in London and at the Supreme Court of Mauritius. He is also an Associate of the Institute of Chartered Secretaries and Administrators, a member of the Society of Trusts and Estate Practitioners and a member of INSOL International.

29.1.2.3 **Derek Prout-Jones**, BCom, BAcc, CA(SA), Appointed 1 June 2016 (Independent non-executive Director)

After completing his articles at Deloitte & Touche, Derek joined RMB in 1989 in the special projects division. During his 21-year career with RMB, he spent five years in corporate finance, specialising in business valuation methodologies, and then joined RMB Private Equity as one of the founding members. He served as Chief Financial Officer of RMB from 1999 to 2003 and was appointed as Chief Investment Officer ("CIO") in 2003 to oversee the various principal investment activities of RMB. He held this position until 2009, when he moved back to RMB Private Equity to head the division, which included sitting on the Boards of Directors of Ethos and RMB Corvest Proprietary Limited.

During his tenure as CIO, he served on the RMB Divisional Board and chaired the RMB Proprietary Management Board, the RMB Investment Committee and the Boards of RMB Australia Holdings and RMB International Dublin Limited. He was also a member of various Group Governance Committees. He left RMB at the end of 2010 and joined Michael Pfaff in a private company, 4 Decades Capital, pursuing long-term investment opportunities that typically fall outside the scope of traditional private equity.

He holds Bachelor of Commerce and Accounting degrees from the University of the Witwatersrand and is a member of the South African Institute of Chartered Accountants ("SAICA").

29.1.2.4 **Kevin Allagapen**, BCom (SA), Executive MBA (UK), Appointed 26 May 2016 (Independent non-executive Director)

Kevin started his career at Deloitte Mauritius in 2000 and has 19 years' experience in the financial services sector in Mauritius. He is the Managing Director at Ocorian (Mauritius) Limited and an executive director of Ocorian Corporate Services (Mauritius) Ltd (formerly known as "Abax Corporate Services (Mauritius) Limited"), both management companies regulated by the Mauritius Financial Services Commission.

His areas of expertise span corporate and fund structuring, formation, management and administration services, private wealth, tax planning and compliance, accounting, regulatory and compliance matters. He also serves as a Director on the Boards of numerous global business companies and funds operating in diverse economic sectors such as agriculture, manufacturing, mining, infrastructure, commerce, engineering, logistics, aviation, shipping and financial services and in that capacity is involved in investment and disinvestment decisions, strategy development, statutory compliance and day-to-day operations. Kevin also acted as an independent non-executive director of Mauritius Housing Corporation, a public company whose principal activities are granting loans for the construction of houses and to engage in deposits taking and was the Chairman of the Audit Committee in 2014.

He holds a Bachelor of Commerce from the University of KwaZulu-Natal, Pietermaritzburg, South Africa, and an Executive MBA from the University of Birmingham, UK.

29.1.2.5 **Michael Pfaff**, BCom, MBA, Appointed 1 June 2016 (Independent non-executive Director)

Michael began his career in corporate finance at Deloitte & Touche and Standard Merchant Bank after which he spent four years in the United States with NationsBanc Capital Markets (now Bank of America), as a Director of structured capital markets.

In 1997, he joined RMB to help build its Private Equity division. He was instrumental in growing the bank's Private Equity division and led the bank's initiative to spin out Ethos (where he sat as a Director for a number of years). He was a Director of the bank's private equity business, RMB Ventures, responsible for initiating and leading various on-balance-sheet investments. He also sat on the bank's Investment Committee responsible for all private equity and principle investing decisions. In 2000, he was appointed CEO at RMB and during his tenure (2000 to 2008) pre-tax profits grew eightfold. Throughout this period he continued to be involved in large private equity decisions and served as Chairperson of RMB Corvest Proprietary Limited. Post-RMB, he has been involved in building a brand business, including a health and beauty business called CaviBrands Proprietary Limited, and turning around a fashion business called New House of Busby. Furthermore, he and Derek Prout-Jones invest through a private company, 4 Decades Capital, into long-term investment opportunities that typically fall outside the scope of traditional private equity. He remained on the RMB and FNB divisional boards until 2017.

He holds a Bachelor of Commerce from the University of Cape Town and an MBA from Duke University (Duke Fuqua Scholar) and was a member of SAICA.

29.1.3 The details of the other directorships held by the Directors during the previous five years are included in **Annexe D** to this Circular.

29.2 **Changes to the Board**

Messrs Kevin Allagapen and Michael Pfaff, retired by rotation and were eligible and made themselves available for re-election, and were re-elected by Shareholders at the annual general meeting of Ethos Capital that was convened on Tuesday, 19 November 2019. There have been no changes to the Board in 2019 and will be no changes to the Board of Ethos Capital as a result of the Rights Offer.

29.3 **Remuneration**

29.3.1 The Directors' remuneration will not be varied as a consequence of the Rights Offer.

29.3.2 Extracts of the constitution of Ethos Capital pertaining to the remuneration of directors are included in **Annexe E** to this Circular. The constitution of Ethos Capital does not contain any provisions relating to the qualification of Directors.

29.4 **Further particulars regarding the Directors**

None of the Directors:

- 29.4.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- 29.4.2 have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans and/or where a resolution has been proposed by any entity to commence business rescue proceedings, or that is or was the subject of an application for any entity to begin business rescue proceedings, any notices in terms of section 129(7) of the South African Companies Act having been delivered, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors of any company, at the time of such event or within the 12 months preceding any such event;
- 29.4.3 have been partners in a partnership that was the subject of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnership, at the time of such event or within the 12 months preceding any such event;
- 29.4.4 entered into any receiverships of any asset(s) or of a partnership where such director is or was a partner during the preceding 12 months;
- 29.4.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- 29.4.6 been involved in any offence of dishonesty;
- 29.4.7 been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
- 29.4.8 been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the South African Companies Act and/or section 47 of the Close Corporations Act, 1984 or been disqualified by a court to act as a director in terms of section 69 of the South African Companies Act.

30. **DIRECTORS' INTERESTS IN A ORDINARY SHARES**

30.1 The direct and indirect beneficial interests in A Ordinary Shares held by all the Directors (including Directors who have resigned in the last 18 months) and their associates as at the Last Practicable Date are shown below:

	Direct beneficial	Indirect beneficial	Held by associate	Total	Percentage of issued A Ordinary Shares
Y Stillhart	610,000	-	-	610,000	0.33
D Prout-Jones	-	7,057,075	-	7,057,075	3.76
K Allagapen	-	-	-	-	-
M Pfaff	-	9,639,492	-	9,639,492	5.14
Y Juwaheer	-	-	-	-	-
Total	610,000	16,696,567	-	17,306,567	9.23

30.2 The interests of directors remained unchanged between the end of the preceding financial year of Ethos Capital and the Last Practicable Date.

31. **DIRECTORS' RESPONSIBILITY STATEMENT**

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

32. **CONSENT**

Each of the advisors whose names appear on the front cover of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consents to the inclusion of their names in the form and context in which they appear in this Circular.

33. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered offices of Ethos Capital and the JSE Sponsor during normal business hours (SAST) (excluding Saturdays, Sundays and official South African public holidays) from the date of this Circular, Tuesday, 21 January 2020, to Friday, 7 February 2020, both days inclusive:

- 33.1 a signed copy of this Circular, as approved by JSE Limited;
- 33.2 the constitution of Ethos Capital;
- 33.3 the audited annual financial statements of Ethos Capital for the three financial periods ended 30 June 2017, 2018 and 2019;
- 33.4 copies of service agreements with Directors, Ethos Private Equity or secretaries for the last three years;
- 33.5 copies of the consent letters referred to in paragraph 32 of this Circular;
- 33.6 a signed copy of the Brait Underwriting Commitment Agreement;
- 33.7 a signed copy of the Brait Major Shareholder Agreement; and
- 33.8 signed copies of the Underwriting Commitments and Irrevocable Subscription Commitments.

Signed at Mauritius by or on behalf of Ethos Capital in terms of resolutions of the Directors.

By order of the Board:

Yvonne Stillhart
Chairperson
21 January 2020

TABLE OF ENTITLEMENT

Qualifying Shareholders will be entitled to 58.47953 Rights Offer Shares for every 100 A Ordinary Shares held on the Record Date. Qualifying Shareholders holding less than 100 A Ordinary Shares, or not a whole multiple of 100 A Ordinary Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with the table of entitlement set out below (*mutatis mutandis* in the case of Qualifying Shareholders who do not hold a whole multiple of 100 A Ordinary Shares). Qualifying Shareholders' entitlements will be rounded up or down, as appropriate, in accordance with the standard rounding convention with fractions of 0.5 and above being rounded up and fractions of less than 0.5 being rounded down, and only whole numbers of Rights Offer Shares will be issued, in accordance with the JSE Listings Requirements.

Number of A Ordinary Shares held	Number of Rights entitlement	Number of A Ordinary Shares held	Number of Rights entitlement	Number of A Ordinary Shares held	Number of Rights entitlement
1	1	37	22	73	43
2	1	38	22	74	43
3	2	39	23	75	44
4	2	40	23	76	44
5	3	41	24	77	45
6	4	42	25	78	46
7	4	43	25	79	46
8	5	44	26	80	47
9	5	45	26	81	47
10	6	46	27	82	48
11	6	47	27	83	49
12	7	48	28	84	49
13	8	49	29	85	50
14	8	50	29	86	50
15	9	51	30	87	51
16	9	52	30	88	51
17	10	53	31	89	52
18	11	54	32	90	53
19	11	55	32	91	53
20	12	56	33	92	54
21	12	57	33	93	54
22	13	58	34	94	55
23	13	59	35	95	56
24	14	60	35	96	56
25	15	61	36	97	57
26	15	62	36	98	57
27	16	63	37	99	58
28	16	64	37	100	58
29	17	65	38	1 000	585
30	18	66	39	10 000	5 848
31	18	67	39	100 000	58 480
32	19	68	40	1 000 000	584 795
33	19	69	40	10 000 000	5 847 953
34	20	70	41		
35	20	71	42		
36	21	72	42		

DETAILS OF THE UNDERWRITERS

Details pertaining to the Underwriters, as required in terms of the JSE Listings Requirements, are set out below:

CONSOLIDATED RETIREMENT FUND FOR LOCAL GOVERNMENT

Trustees	Soyisile Andreas Mokweni, Jan Johannes Wagner, IR Iversen, PJS Gouws, TA Loko, PJF Louw, L Mbandazayo, C Meyer, AM Owen, ET Scott, SN Toni, and FA Willemse
Company secretary	Raymond Collin Wentworth
Date and place of incorporation	26/7/1996 (South Africa)
Registration number	12/8/32689
Bankers	First National Bank, a division of FirstRand Bank Limited

CORONATION ASSET MANAGEMENT PROPRIETARY LIMITED

Directors	Anton Clarence Pillay and Mary-Anne Dimakatso Mazvidzeni Musekiwa
Company secretary	Nazrana Hawa
Date and place of incorporation	25/05/1993 (South Africa)
Registration number	1993/002807/07
Bankers	NedBank Limited
Authorised share capital	200 000 000 ordinary shares with no par value
Issued share capital	80 250 000 ordinary shares with no par value

ETHOS PRIVATE EQUITY PROPRIETARY LIMITED

Directors	Craig John Dreyer, Nkateko Peter Mageza, Stuart James Mackenzie, Kabelo Kopaope Rikhotso, Alida Rachel De Swardt and Sonja Emilia Ncumisa De Bruyn
Company secretary	Levitt Kirson Management Services CC
Date and place of incorporation	17/02/2004 (South Africa)
Registration number	2004/003984/0
Bankers	First National Bank, a division of FirstRand Bank Limited
Authorised share capital	1,000,000 ordinary par value shares; 40,000 no par value "B" shares; And 20,000 no par value "C" shares.
Issued share capital	187 832 ordinary par value shares 30 850 "B" shares; and 13 425 "C" shares.

LAURIUM CAPITAL

Directors	Gavin John Vorweg, Craig Sorour, and Murray David Winckler
Company secretary	PKF Octagon Inc.
Date and place of incorporation	11/09/2007 (South Africa)
Registration number	2007/026029/07
Bankers	First National Bank, a division of FirstRand Bank Limited
Authorised share capital	40 000 Class A Ordinary Shares 40 000 Class B Ordinary Shares
Issued share capital	1 201 Class A Ordinary Shares 225 Class B Ordinary Shares

MERGENCE

Directors	Masimo Ivor Magerman, Fabian Ralph De Beer, Bongani Jack, and Amanda Allie
Company secretary	Edonai Secretarial Compliance Services
Date and place of incorporation	02/08/2004 (South Africa)
Registration number	2004/021426/07
Bankers	The Standard Bank of South Africa Limited and Nedbank Limited
Authorised share capital	1000
Issued share capital	100

TRADING HISTORY OF A ORDINARY SHARES

The trading history of A Ordinary Shares on the Main Board of the JSE is set out below as required in terms of the JSE Listings Requirements.

Monthly	High	Low	Value	Volume
	<i>(Rand per A Ordinary Share)</i>		<i>(Rand in million)</i>	<i>(A Ordinary Shares traded)</i>
2019				
December	7.60	7.24	546 979	73 104
November	7.90	7.40	986 108	129 927
October	7.50	7.15	389 074	53 645
September	7.50	7.00	319 255	43 612
August	7.70	7.00	357 926	47 917
July	8.00	7.45	514 296	66 663
June	8.35	7.49	251 719	32 732
May	8.35	7.52	1 868 361	241 082
April	7.80	6.96	983 031	130 715
March	7.50	6.90	802 018	112 478
February	7.60	7.15	1 026 334	138 791
January	7.80	7.30	2 415 877	320 226

30-day trading history prior to the Last Practicable Date:

Date	High	Low	Value	Volume
	<i>(Rand per A Ordinary Share)</i>		<i>(Rand in million)</i>	<i>(A Ordinary Shares traded)</i>
2019				
19 November	7.45	7.25	2 219	305
20 November	7.26	7.26	155 466	21 414
21 November	7.45	7.25	96 361	12 988
22 November	7.45	7.30	162 119	22 054
25 November	7.45	7.35	890 176	119 588
26 November	7.45	7.25	241 134	32 681
27 November	7.90	7.25	11 246 551	1 437 107
28 November	7.55	7.40	117 015	15 775
29 November	7.60	7.25	1 360 395	182 416
2 December	7.60	7.60	653 326	85 964
3 December	7.59	7.41	720 643	95 080
4 December	7.41	7.24	66 275	9 062
5 December	7.45	7.45	1 199 860	161 055
6 December	7.55	7.45	408 382	54 798
9 December	7.55	7.55	95 945	12 708
10 December	7.55	7.45	703 830	93 893
11 December	7.55	7.45	1 859 539	249 468
12 December	7.55	7.55	7 550	1 000
13 December	7.55	7.36	951 457	127 846
17 December	7.54	7.40	165 357	22 263
18 December	7.55	7.46	127 585	16 949
19 December	7.55	7.45	1 815 654	242 279
20 December	7.50	7.46	130 093	17 346
23 December	7.53	7.46	1 649	221
24 December	7.53	7.45	776 459	104 213

Date	High	Low	Value	Volume
27 December	7.46	7.45	149 020	20 000
30 December	7.53	7.53	13 004	1 727
31 December	7.53	7.53	-	-
2020				
2 January	7.53	7.53	1 091 903	145 007
3 January	7.55	7.54	168 201	22 300

Source: Bloomberg (4 January 2020)

OTHER DIRECTORSHIPS

The names of all companies and partnerships of which the Directors have been a director or partner at any time in the five years preceding the Last Practicable Date are listed below:

Name	Directorships	Status
Yvonne Stillhart	UBS Asset Management Switzerland AG	Active
	Kalanthares Holding AG	Active
	Unigestion GP Sàrl	Active
	Unigestion GP Jersey	Active
	USO IV SPV	Active
	Eduko Investments Mixer Sàrl	Active
	Euro Invest Sàrl	Active
	Aurentium Sàrl	Active
	Akoya Invest Ltd	Active
	Enoha GmbH	Active
	Brae GP Ltd.	Resigned
	Ethos Capital V GP (Jersey) Limited	Resigned
	Ethos Capital VI GP (Jersey) Limited	Resigned
	Euro Choice II GP Limited (Jersey)	Resigned
	Euro Choice II GP Limited (Delaware)	Resigned
	Euro Choice III GP Limited (Jersey)	Active
	Euro Choice IV GP Limited	Resigned
	Euro Choice V GP Limited	Resigned
	Euro Choice Secondary GP Limited	Resigned
	Euro Opportunity GP Direct Limited	Resigned
	SunKina GP Limited	Resigned
	Euro Parallel SCS	Resigned
	WCTPT II GP Ltd	Resigned
	Unigestion (Luxembourg) Ltd	Resigned
	WCTPT GP Ltd	Resigned
	Euro Choice V Co-Invest GP Ltd	Resigned
	Euro Choice GP Ltd	Resigned
	NEF GP Ltd	Resigned
	Impulse GP Ltd	Resigned
	Kevin Allagapen	AYIPLING MORRISON CAPITAL
ADVANCE OCEAN LTD		Active
Be Active Life Mauritius		Active
Bravia Capital (Mauritius) Holdings Limited		Active
Bravia Rent Alpha Holdings Limited		Active
Bravia Thotaka Holdings Limited		Active
Community Impact Management		Active
Dhahabu Africa Capital Limited		Active
FastJet Mauritius K		Active
FastJet Mauritius T		Active
GNANZOUKY Participations SA		Active
Mauritius Vascular Innovations Ltd		Active
Meraki International		Active
Mistik Limited		Active
Regnum Investment Holdings Ltd		Active
Regnum International Investment Holdings Ltd		Active

	S.A LAKKER investments	Active
	SAI Holdings Limited	Active
	SJP Capital Ltd	Active
	Surflin International Limited	Active
	Sunflyer1 Company Limited	Active
	TC Global Services Co., Ltd	Active
	TIH Africa Limited	Active
	Trustco Mobile Mauritius	Active
	Wings Aviation Mauritius	Active
	Woodlands Laxmi Mauritius Holdings	Active
	Yellow Wood Impact	Active
	Oxidental Holdings Limited	Active
	Wings Aviation Assets Limited	Active
	Avaada Energy (Mauritius) Pty Ltd	Active
	Renfro China Holdings	Active
	Marriott Drilling Mauritius	Active
	ANG Trading Ltd	Active
	Peak Trading Overseas Ltd	Active
	SBPS Mauritius	Active
Michael Pfaff	4 Decades Capital Proprietary Limited	Active
	Candur Active Value Investments Proprietary Limited	Active
	Cavi Brands Proprietary Limited	Active
	Fire Wings Properties 36 Proprietary Limited	Active
	Pfaff Investment Holdings Proprietary Limited	Active
	The Hilton Society (NPC)	Resigned
Derek Prout-Jones	4 Decades Capital Proprietary Limited	Active
	Black Hawk Lodge Proprietary Limited	Active
	Black Hawk Private Equity Proprietary Limited	Active
	Catwalk Investments 263 Proprietary Limited	Resigned
	Gometro Proprietary Limited	Active
	Hero Telecoms Proprietary Limited	Resigned
	Legionnaire Investments Proprietary Limited	Active
	Valley Fields Proprietary Limited	Resigned
Yuvraj Juwaheer	Bedell Cristin (Mauritius)	Resigned
	Bedell Management Services (Mauritius) Limited	Resigned
	Citilaw Chambers	Resigned
	Durrell Conservation Training Limited	Resigned
	Essar Group Limited	Active
	Multiconsult Limited	Resigned
	Housing Finance Guarantors	Active
	Citigroup Global Markets Mauritius Private Limited	Active

EXTRACTS FROM THE CONSTITUTION OF ETHOS CAPITAL

Set out below are extracts from the constitution of Ethos Capital in relation to the remuneration of Directors:

**

18.3.5.2 A person who is appointed in terms of the provisions of paragraph 18.3.5.1 to the office of managing Director, CEO, or CFO of the Company, or to any other office in the Company may be paid such remuneration not exceeding a reasonable maximum in each year in respect of such office or services as may be determined by the Company's Remuneration Committee, or any successor to such committee (which shall constitute a disinterested quorum of the Directors). **[para 10.16(e) of schedule 10 of the Listings Requirements]**⁽²⁾

**

18.5 **remuneration of Directors**

18.5.1 Notwithstanding anything to the contrary contained in this Constitution or any agreement, understanding or arrangement with a Director, the Company shall not be obliged or entitled or required to pay any remuneration to a Director for their services as Directors (which shall exclude salaries of executive Directors) except such remuneration as has been approved by and in terms of an Ordinary Resolution.

18.5.2 A Director may be employed in any other capacity in the Company or as a Director or employee of a company controlled by, or itself a subsidiary of, the Company and in this event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors to the extent required by the Listings Requirements, **[para 10.16(e) of schedule 10 of the Listings Requirements]**

18.5.3 The Directors shall be paid all travelling and other expenses properly and necessarily incurred by them in and about the business of the Company, and in attending meetings of the Directors or of committees thereof; and if any Director is required to perform extra services or to reside abroad or shall be specifically occupied about the Company's business, he or she shall be entitled to receive such remuneration as is determined by a disinterested quorum of Directors, which may be either in addition to or in substitution for any other remuneration, subject to paragraph 18.5.1 above. **[para 10.16(f) of schedule 10 of the Listings Requirements]**

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⁽²⁾ For completeness, it is noted that the CEO and CFO, who are senior advisers to the Company in terms of the written investment advisory agreement concluded between the Company and Ethos Private Equity, are not remunerated by the Company but rather by Ethos Private Equity.