THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions contained on pages 5 to 10 of this circular apply, *mutatis mutandis,* throughout this circular, including this cover page.

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

If you have disposed of all your shares in Trustco, this Circular should be handed to the purchaser of such shares or the banker, broker, CSDP, legal advisor or other agent through whom the sale was affected.

Action required by Trustco shareholders

Trustco shareholders holding certificated shares and dematerialised shares with "own name" registration who are unable to attend the General Meeting and who wish to be represented thereat, must complete and return the attached form of proxy (*blue*) in accordance with the instructions contained therein, so as to be received by the transfer secretaries by no later than 10:00 on Thursday, 1 October 2015.

Trustco shareholders holding dematerialised shares, other than "own name" registration, who wish to attend the General Meeting or vote by way of proxy must contact their broker or CSDP who will provide them with the necessary letter of representation to vote or will carry out their instructions. This must be affected in terms of the agreement between them and their broker or CSDP.

TRUSTCO
oshili nawa

TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia
Registration number 2003/058
JSE share code: TTO NSX share code: TUC
ISIN: NA000A0RF067
("**Trustco**" or "**the Company**")

CIRCULAR TO TRUSTCO SHAREHOLDERS

regarding

the Acquisition of Huso, the holding company of Morse and NNDC, which constitutes a Category 1 transaction and a related party transaction also requiring the inclusion in the Category 1 Circular of the information required to be disclosed for a pre-listing statement in terms of paragraph 9.22 of the Listing Requirements of the JSE;

and incorporating

- **a notice convening a general meeting of Trustco shareholders; and**
- **a form of proxy (*blue*) in respect of the general meeting of Trustco shareholders (for use by certificated Trustco shareholders and own-name dematerialised Trustco shareholders only).**

Corporate Advisor	Auditors and Reporting Accountants	NSX Sponsor
DEA-RU	BDO	IJG Securities (Pty) Ltd. Member of the NSX
JSE Transaction Sponsor	**Independent expert**	**Attorneys**
PSG CAPITAL	EA Effortless Corporate Finance www.effortlessaccounting.co.za	Ko&P Partners

Date of issue: 11 September 2015

This Circular is only available in English. Copies of this Circular may be obtained from the registered office of Trustco and from the Sponsor from 14 September 2015 to 5 October 2015, the addresses of which are set out in the "Corporate information" section of this Circular.

CORPORATE INFORMATION

Place of incorporation: Namibia
Date of incorporation: 4 February 2003
Date of registration as external company in South Africa: 11 February 2009

Company secretary
Sandra Miller
BLC LLB
Admitted as advocate of Supreme Court of South Africa
Admitted as legal practitioner of the High and Supreme Courts of Namibia

Registered office
2 Keller Street
Windhoek
Namibia
(PO Box 11363, Windhoek, Namibia)
Website: www.tgh.na

Transfer Secretaries (Namibia)
Transfer Secretaries (Proprietary) Limited
(Registration number 93/713)
(Burg Street entrance opposite Chateaux Street)
4 Robert Mugabe Avenue
Windhoek
(PO Box 2401, Windhoek, Namibia)

Transactional Sponsor
PSG Capital (Proprietary) Limited
(Registration number 1951/002280/06)
1st Floor, Ou Kollege building
35 Kerk Street
Stellenbosch, 7599
(PO Box 7403, Stellenbosch, 7599)

and at:

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 987, Parklands, 2121)

Independent Competent Person
Geomine Consulting Namibia CC
Willem H Kotze Pr.Sci.Nat MSAIMM
54 Fischreiher Street, Vineta, Swakopmund
Namibia
(PO Box 4286, Vineta, Swakopmund)

Corporate Advisor
DEA-RU (Proprietary) Limited
(Registration number 2004/018276/07)
7 Sun Place
Sharonlea
Olivedale, 2158

(Postal address same as above)

JSE Sponsor
Sasfin Capital, a division of Sasfin Bank Limited
(Registration number 1951/002280/06)
29 Scott Street
Waverley, 2090
(PO Box 9510, Grant Park, 2051)

Transfer Secretaries (South Africa)
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Attorneys
Koep & Partners
33 Schanzen Road
Windhoek
(PO Box 3516, Windhoek, Namibia)

Auditors and Independent Reporting Accountant
BDO South Africa Incorporated
(Registration number 1995/002310/21)
13 Wellington Road
Parktown, 2193
(Private Bag X60500, Houghton, 2041)

Independent Expert
Effortless Corporate Finance (Proprietary) Limited
(Registration number 2010/004734/07)
23 Nicholi Avenue, Kommetjie, Cape Town, 7975

(Postal address same as above)

NSX Sponsor
IJG Securities (Proprietary) Limited
(Registration number 95/505)
100 Robert Mugabe Avenue
First Square
Windhoek
Namibia
(PO Box 186, Windhoek, Namibia)

TABLE OF CONTENTS

The definitions and interpretations commencing on page 5 of this Circular to shareholders have been used in the following table of contents.

ACTION REQUIRED

The definitions commencing on pages 5 of this Circular apply, *mutatis mutandis,* to the following section on action required by Trustco shareholders.

Please take careful note of the following provisions regarding the action required by Trustco shareholders:

- If you have disposed of all of your Trustco shares, this Circular should be handed to the purchaser of such shares or the CSDP, broker, banker, attorney or other agent who disposed of your Trustco shares for you.
- If you are in any doubt as to what action to take, consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
- This Circular contains information relating to the Huso acquisition. You should carefully read this Circular and decide how you wish to vote on the resolutions to be proposed at the General Meeting. The General Meeting, convened in terms of the notice incorporated in this Circular, will be held at Trustco's registered office, 2 Keller Street, Windhoek, on Monday, 5 October 2015 commencing at 10:00.

1. IF YOU HAVE DEMATERIALISED YOUR TRUSTCO SHARES

1.1 Own-name registration

You are entitled to attend in person, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the South African transfer secretaries, Computershare, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), or the Namibian transfer secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateaux Street) (PO Box 2401, Windhoek, Namibia), by no later than 10:00 on Thursday, 1 October 2015.

1.2 Other than own-name registration

You are entitled to attend in person, or be represented by proxy, at the General Meeting. If you attend, you must **not** however, complete the attached form of proxy. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the General Meeting. If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. If you do wish to attend or be represented at the general meeting, your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.

2. IF YOU HOLD CERTIFICATED TRUSTCO SHARES

You are entitled to attend, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the South African transfer secretaries, Computershare, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), or the Namibian transfer secretaries, Transfer Secretaries (Proprietary) Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateaux Street) (PO Box 2401, Windhoek, Namibia), by no later than 10:00 on Thursday, 1 October 2015.

IMPORTANT DATES AND TIMES[1]

The definitions and interpretations commencing on page 5 of this Circular apply to these important dates and times:

	2015
Record date to determine which shareholders are eligible to receive the Circular	Friday, 4 September
Circular and notice of the General Meeting posted to Trustco shareholders on	Monday, 14 September
Last day to trade to be eligible to vote at the General Meeting on	Thursday, 17 September
Record date in relation to voting at the General Meeting on	**Friday, 25 September**
Forms of proxy for the General Meeting to be received at 10:00 on	Thursday, 1 October
General Meeting of Trustco shareholders at 10:00 on	Monday, 5 October
Results of the General Meeting released on SENS on	Monday, 5 October

Note:

1. All references to dates and time are to local dates and times in Namibia and South Africa. These dates and times are subject to amendment. Any such amendment will be released on SENS.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless otherwise indicated, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa,* words importing one gender include the other genders and references to a person include references to an entity and *vice versa.*

"Acquisition"	the acquisition by Trustco, through its wholly owned subsidiary Trustco Resources Proprietary Limited, of the entire shareholding in Huso Investments Proprietary Limited, the holding company of Morse and NNDC;
"Board" or **"Directors"**	the board of directors of Trustco, the details of which are set out in Annexure I of this Circular;
"Business Day"	any day other than a Saturday, Sunday or official public holiday in South Africa or Namibia;
"certificated shareholders"	Trustco shareholders who hold certificated shares;
"certificated shares"	Trustco shares which have not been dematerialised into the Strate system, title to which is represented by share certificates or other physical documents of title;
"Circular"	this circular to shareholders, dated 11 September 2015, including the notice of the General Meeting and form of proxy;
"Closing Date"	the date upon which a Mining License had been issued to the NNDC in terms of the Minerals Act and the conditions precedent had been fulfilled whichever occurs latest;
"Companies Act"	the Namibian Companies Act, 2004 (Act 28 of 2004), as amended;
"Companies Regulations"	the Companies Regulations, 2011 promulgated in Government Gazette No. 34239 in terms of section 223 of the Companies Act;
" Competent Person"	Geomine Consulting, full details of which are set out in the corporate information and advisors section of this Circular;
"Competent Person's Report"	the report prepared on mineral assets and projects (relating to EPL 2633 and forming part of the application filed in the name of NNDC before the exercising of the option agreement), and signed by the lead Competent Person, which complies with the SAMREC code and SAMVAL code;
"Competition Commission"	the Namibian Competition Commission established by section 4 of the Competition Act 2 of 2003;
"Corporate Advisor"	DEA-RU, full details of which are set out in the corporate information and advisors section of this Circular;
"CPI"	consumer price index, showing the average price level of a basket of goods and services bought by a typical consumer or household and which changes over time, as determined and published by Statistics South Africa from time to time;
"CSDP"	a Central Securities Depository Participant in South Africa appointed by a shareholder for the purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
"dematerialise" or **"dematerialisation"**	the process whereby ownership of shares as evidenced by share certificates and/or some other documents of title are converted to an electronic form as dematerialised shares under Strate and recorded in the sub-register of shareholders maintained by a CSDP or broker;
"Dematerialised Shareholders"	Shareholders who hold Trustco shares which have been dematerialised in terms of the requirements of Strate;

"Dematerialised Shares"	Trustco shares which have been incorporated into the Strate system, the title to which is no longer represented by share certificates or physical documents of title;
"EBITDA"	the earnings before interest and taxation for the relevant period after adding back any amount attributable to depreciation, impairment or amortization of any assets of the Company;
"EBITDAASA"	consolidated EBITDA after stock adjustment, and including the selling value of polished and/or unpolished diamond stock in inventory at the time that the annual financial statements are compiled each year, for Huso and its subsidiaries;
"Elisenheim"	Elisenheim Property Development Company Proprietary Limited (Registration number 2001/621), a private company registered and duly incorporated in accordance with the laws of Namibia;
"EPL"	an exclusive prospecting license issued in terms of the Minerals Act;
"EPL 2633"	means EPL 2633 licence area and /or any extension thereof and additions thereto in the area north of Angra Fria to the current Southern border of the EPL 2633;
"Exchange Control Regulations"	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, No. 9 of 1933, as amended;
"Farm Herboths"	Farm Herboths Proprietary Limited (Registration number 2011/0273), a private company duly incorporated on 29 April 2011 in accordance with the laws of Namibia;
"Fides Bank"	Fides Bank Namibia Limited, a Namibian incorporated banking institution holding an unrestricted banking license under the Namibian Banking Institutions Act, 1998;
"Financial Markets Act"	Financial Markets Act, No. 19 of 2012, as amended from time to time;
"Financial Year"	the financial year of Trustco which commences on 1 April of each year and ends on 31 March of the following year;
"General Meeting"	Windhoek, Namibia at 10:00 on Monday, 5 October 2015;
"Government"	the government of Namibia;
"Huso"	Huso Investments Proprietary Limited (Registration number 2005/396), a private company duly incorporated on 4 August 2005 in accordance with the laws of Namibia, and the holding company for Morse and NNDC, owned by Mr Quinton van Rooyen;
"Huso Group"	Huso and its subsidiaries Morse and NNDC;
"Income Tax Act"	the Income Tax Act, No. 58 of 1962, as amended;
"Independent Reporting Accountants and Auditors" or **"Independent Reporting Accountants"** or **"BDO"**	BDO, a partnership formed in terms of the laws of South Africa, full details of which are set out in the "Corporate information" section;
"Independent Expert"	Effortless Corporate Finance Proprietary Limited (Registration number 2010/004734/07), the independent expert appointed by Trustco;
"IFC"	International Finance Corporation, an international organisation, established by Articles of Agreement among its member countries, including the Republic of South Africa and the Republic of Namibia;
"IFC Additional Put Trigger Event"	the additional put trigger events set out in more detail in paragraph 3.2 of the IFC Circular;
"IFC Circular"	the circular to Trustco shareholders dated 31 January 2013 regarding the IFC transaction;
"IFC Liquidity Date"	the first date on which either IFC cannot trade all of the Trustco shares held by it on the JSE, or the first date on which 35% or less of all Trustco shares in issue are floated and freely traded on the JSE;

"IFC Put Notice"	a notice delivered to Trustco by the IFC, during the IFC Put Period upon or after the occurrence of a liquidity event, for so long as the IFC Subscription Shares represent more than 5% of the issued share capital of Trustco, or at any time upon occurrence of an additional put trigger event, in terms of which the put option is exercised;
"IFC Put Option"	the option granted to the IFC to require Trustco to acquire the repurchase shares on the terms and conditions set out in the IFC Put Option Agreement;
"IFC Put Period"	in the absence of an IFC Additional Put Trigger Event, the period commencing on the third anniversary of the IFC subscription date;
"IFC Put Price Per Share"	the higher of the 30-day volume weighted average traded share price of Trustco shares on the JSE or the equity value divided by all outstanding issued Trustco shares (including unlisted Trustco shares) as at the date of the IFC Put Notice;
"IFC Share Subscription"	the subscription by the IFC in terms of the IFC Share Subscription Agreement;
"IFC Repurchase Shares"	35 000 000 Trustco shares owned by the IFC and up to 40 000 000 Trustco shares that may be issued to the IFC in terms of the IFC Warrant Rights;
"IFC Share Repurchase"	the repurchase of the IFC Repurchase Shares, which may result from the exercise of the IFC Put Option;
"IFC Share Subscription Agreement"	the agreement between Trustco and the IFC, dated 21 August 2013, into terms of which the IFC invested in Trustco via the IFC Share Subscription;
"IFC Subscription Date"	29 August 2013;
"IFC Subscription Shares"	35 million fully paid up Trustco shares issued in terms of the IFC Warrant Agreement;
"IFC Transaction"	the IFC Share Subscription and the IFC Share Repurchase, referred to collectively;
"IFC Trustco Transaction Enterprise Value"	means (a) the weighted average of i) the EBITDA multiple at the time of the IFC share subscription; and ii) the EBITDA multiple at the time of IFC's subscription for warrant shares multiplied by b) EBITDA for the calculation period immediately preceding the put notice;
"IFC Put Option Agreement"	the put option agreement, dated 21 August 2013, between Trustco and the IFC governing the IFC Share Repurchase;
"IFC Share Warrant Agreement"	the warrant agreement, dated 21 August 2013, between Trustco and the IFC governing the issue of shares for cash and in terms of which the IFC obtained the warrant rights;
"IFC Warrant Exercise Price"	the higher of R1,30 per Trustco share; and the 30-day average trading price per Trustco share, less 2.5% at the time of the exercise of the warrant rights;
"IFC Warrant Rights"	the right granted to the IFC by Trustco to subscribe for 40 million Trustco shares at any time during a period of two years commencing on the IFC Subscription Date at the IFC Warrant Exercise Price;
"IFC Warrant Shares"	up to 40 000 000 Trustco shares that may be issued to the IFC in terms of the IFC Share Warrant Agreement;
"IFRS"	International Financial Reporting Standards;
"JSE"	JSE Limited (Registration number 2005/022939/06), licensed as an exchange under the South African Financial Markets Act No. 19 of 2012, as amended, and a public company registered and duly incorporated in terms of the laws of South Africa;

"King III"	the Code of Corporate Practices and Conduct in South Africa, representing principles of good corporate governance as laid out in the King Report, as amended from time to time;
"Last Practicable Date"	the last day before the finalisation of this Circular being Friday, 21 August 2015;
"Listings Requirements"	the Listings Requirements, as amended by the JSE and the NSX from time to time;
"Merger Notice"	the notice to be given to the Competition Commission of the proposed merger (contemplated in the Share Purchase Agreement), in terms of section 45 of the Competition Act No. 2 of 2003;
"Minerals Act"	the Namibian Minerals (Prospecting and Mining) Act No. 33 of 1992, as amended from time to time;
"Mineral Resource"	a diamond mineral resource as determined in a Competent Person's Report prepared on mineral assets and projects relating to EPL 2633 and any other EPL's applied for in the name of NNDC prior to the announcement of the option on SENS, being 22 June 2015;
"Initial Mineral Resource Estimate" or **"Initial Resource"**	the diamond mineral resource determined by the Competent Person amounting to 348 423 carats as set out in more detail in the Summary Competent Person's Report included by way of reference in terms of paragraph 31.6 of the Circular;
"Morse"	Morse Investments Proprietary Limited (Registration number 2006/255), a licensed diamond processing and polishing factory duly incorporated on 16 June 2006 in accordance with the laws of Namibia. Mr Quinton van Rooyen currently owns 100% of the issued share capital of Morse and warranted in terms of clause 6.2.1 of the Share Purchase Agreement that he will transfer his entire shareholding in Morse to Huso by the Closing Date of the Acquisition. For purposes of the Circular Morse is included in the definition of the Huso Group as a subsidiary to Huso.
"Next Investments"	Next Investments Proprietary Limited (Registration number 2005/396), a company duly incorporated on 4 August 2005 in accordance with the Laws of Namibia;
"NNDC"	Northern Namibia Development Company Proprietary Limited (Registration number 90/439), a diamond mining and exploration company duly incorporated on 20 August 1990 in accordance with the laws of Namibia. Huso owns 100% of the issued share capital of NNDC;
"N$"	Namibian dollar and is the equivalent of one Rand;
"Namibia"	the Republic of Namibia;
"Namibian Transfer Secretaries"	Transfer Secretaries Proprietary Limited (Registration number 93/713), a private company registered and duly incorporated in accordance with the laws of Namibia;
"Notice of General Meeting"	the notice of the general meeting of Trustco shareholders attached to this Circular;
"NSX"	Namibian Stock Exchange, licensed as an exchange and regulated by the Stock Exchanges Control Act of Namibia (1985, as amended in 1992) and overseen by the Namibian Financial Institutions Supervisory Authority;
"Option"	the option in terms of which the Company acquired the entire shareholding in Huso, of which Quinton van Rooyen is the sole shareholder, via its wholly owned subsidiary Trustco Resources;
"own-name dematerialised shareholders"	dematerialised Trustco shareholders who/which have elected own-name registration;
"Payment Term"	annually over a nine-year period from the Closing Date;

"Philco"	Philco Twenty Two (Proprietary) Limited, (Registration number 2005/0268), a private company registered and duly incorporated in accordance with the laws of Namibia, the shareholders of which are Edna Trust (50%), Philco Twenty One Proprietary Limited (25%) and RAF Trust (25%);
"Rand" or **"R"**	Rand, the legal currency of South Africa;
"Rencap"	Renaissance Africa Master Fund, a closed fund managed by RenAsset Managers;
"Rencap Agreement"	the agreement, dated 21 October 2011, between Trustco and Rencap governing, *inter alia*, the call option and the Rencap repurchase and approved by Trustco shareholders in general meeting on 19 January 2012;
"Rencap Amendment"	the amendment to the call option strike of 110 cents per Trustco share as determined in the Rencap Agreement to a call option strike price of 91 cents per Trustco share by mutual agreement between Trustco and Rencap and approved by Trustco shareholders in terms of the Rencap Circular;
"Rencap Call Option"	the option granted to Trustco to acquire the Rencap Repurchase Shares on the terms and conditions set out in the Rencap Agreement and the Rencap Amendment;
"Rencap Circular"	the circular to Trustco shareholders dated 31 January 2013;
"Rencap Repurchase"	the repurchase of the Rencap Repurchase Shares, as a result of the exercise of the call option by Trustco as described in more detail in the Rencap Circular dated 31 January 2013;
"Rencap Repurchase Shares"	74 331 920 Trustco shares bought back by the Trustco Group in terms of the Rencap Agreement and the Rencap Amendment;
"Resolutions" or **"Shareholder Resolution(s)"**	the Trustco shareholder resolutions contained in the Notice to Shareholders;
"SA" or **"South Africa"**	the Republic of South Africa;
"SARB"	South African Reserve Bank;
"SARS"	the Commissioner of the South African Revenue Services;
"SENS"	the Stock Exchange News Service of the JSE;
"share" or **"shares"**	an ordinary share in the share capital of Trustco with a par value of N$0.23;
"Share Purchase Agreement"	the share purchase agreement concluded between the Seller and the Purchaser in terms of which the Purchaser acquired 100% of the issued share capital of Huso dated 14 July 2015;
"shareholder(s)" or **"Trustco shareholder(s)"**	the holder or holders of shares in Trustco;
"Sponsor" or **"PSG"**	PSG, full details of which are set out in the corporate information and advisors section of this Circular;
"Strate"	Strate (Proprietary) Limited (Registration number 1998/022242/06), a private company registered and duly incorporated in terms of the laws of South Africa, which is licensed to operate, in terms of the South African Financial Markets Act No. 19 of 2012, as amended, and which is responsible for the electronic settlement system used by the JSE;
"subsidiary"	a subsidiary to Trustco as defined in the Companies Act;
"TFS" or **"DEX"**	Trustco Financial Services Proprietary Limited formerly known as Dex Group Financial Services Proprietary Limited (Registration number 2005/495), a private company duly incorporated in accordance with the laws of South Africa on 19 September 2005;
"the Effective Date"	30 September 2015 notwithstanding the Signature Date of the Share Purchase Agreement;

“the Option Agreement”	the agreement entered into between the Company and Mr Quinton van Rooyen whereby the Company acquired the option to purchase the entire shareholding in Huso, dated 22 June 2015;
“the SAMREC Code”	the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves including the guidelines therein, as amended from time to time;
“the SAMVAL Code”	the South African Code for reporting of Mineral Asset Valuation including the guidelines contained therein, as amended from time to time;
“the Seller”	Mr Quinton van Rooyen the Group Managing Director of Trustco and the Seller of the total issued share capital of Huso;
“the Signature Date”	the date upon which the Share Purchase Agreement was signed by the Party signing]same last in time namely on 14 July 2015;
“the Huso Subsidiaries”	Morse and NNDC, the wholly owned subsidiaries of Huso that forms part of the Acquisition as per the Share Purchase Agreement;
“Transfer Date”	the date on which on all the shares of Huso are registered in the name of the Purchaser;
“Trustco” or **“the Company”**	Trustco Group Holdings Limited (Registration number 2003/058), a public company duly incorporated in accordance with the laws of Namibia, the shares of which are dual-listed with the primary listing on the JSE and a secondary listing on the NSX;
“Trustco Bank”	Trustco Bank Namibia Limited formerly known as Fides Bank;
“Trustco Group” or **“the Group”**	Trustco and all of its subsidiaries from time to time, referred to collectively;
“TrustcoProp”	Trustco Property Holdings (Proprietary) Limited (Registration number 2006/289), a private company duly incorporated in Namibia, a wholly owned subsidiary of Trustco, the purchaser of Elisenheim;
“Trustco Resources” or **“the Purchaser”**	Trustco Resources (Proprietary) Limited (Registration number 2015/0081), a private company duly incorporated on 17 February 2015 in Namibia, a wholly owned subsidiary of Trustco and the purchaser of Huso as set out in the Share Purchase Agreement;
“Transfer Secretaries” or **“Computershare”**	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07) a private company registered and duly incorporated in terms of the laws of South Africa, full details of which are set out in the “Corporate information” section;
“US$”	United States Dollar;
“Value Add”	the total confirmed annual increased Mineral Resources as established by the Independent Competent Person appointed by the board of the Purchaser;
“Value of the Initial Mineral Resource Estimate”	the economic potential of the estimated resource of USD 59 231 910 placed on the Initial Mineral Resource based on USD 170 per carat as set out in more detail in the Competent Persons Report; and
“VAT”	Value Added Tax as defined in the Value Added Tax Act (Act 89 of 1991), as amended.

TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia
Registration number 2003/058
JSE share code: TTO NSX share code: TUC
ISIN: NA000A0RF067
("**Trustco**" or "**the Company**")

***DIRECTORS**
Adv Raymond Heathcote *(Independent Non-executive Chairman)*
Mr W J Geyser *(Independent Non-executive Director)*
Mr R J Taljaard (*Independent Non-executive Director)*
Mr J Mahlangu *(Independent Non-executive Director)*
Mr Q van Rooyen *(Group Managing Director)*
Mr F J Abrahams (*Group Treasurer)*
Mr R McDougall (*Group Financial Director)*
*All directors are Namibian with the exception of Mr J Mahlangu and Mr R McDougall who are South African.

CIRCULAR TO TRUSTCO SHAREHOLDERS

1. **INTRODUCTION AND RATIONALE**

1.1 **Introduction**

Shareholders are referred to the SENS announcements published on 2 February 2015, 22 June 2015 and 24 June 2015 in terms of which the Company advised shareholders, *inter alia,* of its intention to pursue opportunities in the resources sector and further that the Company has entered into an Option Agreement with Mr Quinton van Rooyen in terms of which the Company acquired an option to acquire the entire shareholding in Huso, of which Mr Quinton van Rooyen is the sole shareholder, via its wholly owned subsidiary, Trustco Resources.

Further to the publication of the announcements referred to above, shareholders are also referred to the SENS announcement published on 15 July 2015 in terms of which the Company advised that the Company has exercised the aforesaid Option and has consequentially entered into a Share Purchase Agreement with the Seller dated 14 July 2015 for the acquisition of the entire issued share capital of Huso.

Huso is the holding company of NNDC, a diamond mining and exploration entity in Namibia and Morse, a diamond processing and polishing factory in Namibia.

In terms of the Share Purchase Agreement and as set out in paragraph 5 below, the total purchase consideration payable by Trustco to the Seller in respect of the Acquisition, will be settled by way of an issuance of new Trustco shares by Trustco to the Seller.

1.2 **Rationale**

This Acquisition is in line with Trustco's strategy to pursue opportunities in the resource sector, particularly in Namibia.

1.2.1 The Acquisition will create a natural foreign exchange hedge for the Company;

1.2.2 The authoritative Fraser Institute Annual Survey of Mining Companies: 2014 placed Namibia first in Africa as the most attractive mining investment destination. In 2015 Namibia was placed second after Botswana;

1.2.3 Namibia is a participant of and fully compliant with the Kimberley Process Certification Scheme;

1.2.4 Diamond market fundamentals are in support of price appreciation, as according to analysis by De Beers insight report: debeersgroup.com;

1.2.5 McKinsey & Company www.mckinsey.com and Bain & Company www.bain.com indicate that demand will outstrip supply with a considerable margin from 2019 onwards;

1.2.6 Namibia is one of the world's largest producers of gem quality diamonds, with approximately 98% of diamonds produced being gem quality as per the Diamond Empowerment Fund: www.diamondempowerment.org;

1.2.7 Opportunities in the diamond sector are very scarce, especially a vertically integrated business model within the diamond value chain, as established by the Seller;

1.2.8 It is expected to create shareholder value to the shareholders of the Company and the Seller provides a guarantee to this effect;

1.2.9 More than 2500 Namibian Trustco shareholders in particular will benefit directly from the natural resources of Namibia;

1.2.10 Local beneficiation will stimulate this sub-sector in Namibia due to the vertical integrated model of Huso; and

1.2.11 The Acquisition will unlock economic benefit in one of the most isolated regions of Namibia in support of the Namibian Government's national development objectives.

2. PURPOSE OF THE CIRCULAR

The purpose of this Circular is to provide information to shareholders with regard to the Acquisition and to convene a General Meeting at the registered office of the Company, 2 Keller Street, Windhoek, Namibia at 10:00 on Monday, 5 October 2015, at which meeting the shareholders will vote on the ordinary resolutions required to approve the Acquisition. The Notice of General Meeting containing the Resolutions required to implement the Acquisition is attached to and forms part of this Circular.

3. **BACKGROUND**

Namibia's minerals portfolio includes gold, copper, diamonds, lead, zinc, tin, lithium, cadmium, tungsten, manganese, silver, fluorspar, salt, semi-precious stones, marble, granite, pyrite, uranium, natural gas and potential deposits of oil, coal and iron ore. It is therefore not surprising that group management decided to include Namibia's mineral resource sector as part of its growth strategy. Whilst the resources segment will focus primarily on the mineral resources sector, it will also pursue ventures within the natural resources sector.

Huso is the holding company of NNDC and Morse. NNDC is the holder of an Exclusive Prospecting License situated in the Kunene region in the North-Western area of Namibia. Morse is the holder of a Diamond Cutting and Polishing license.

4. **TERMS OF THE ACQUISITION**

4.1 **The acquisition**

The Company through its wholly owned subsidiary Trustco Resources will acquire the entire shareholding in Huso from the Seller.

4.2 **The effective date**

The effective date of the Acquisition shall be 30 September 2015, notwithstanding the Closing Date and the date of the fulfilment of the conditions precedent to the Acquisition as set out below. The effective date is the date upon which the Share Purchase Agreement is effective, not closed. It will be closed upon fulfilment of the conditions precedent or on the date upon which a mining licence is issued to NNDC, whichever occurs latest. This is the date when the risk and benefits will pass over. If the conditions precedent are not fulfilled the contract will not be closed.

4.3 **Conditions precedent**

The Share Purchase Agreement is subject to, *inter alia* the following conditions precedent:

4.3.1 the parties shall, within 90 days from the Signature Date of the Share Purchase Agreement, apply for and obtain the approval of the Competition Commission for the transaction envisaged in terms of this Agreement;

4.3.2 that the Subsidiaries hold all Licences required for its operations and that Morse receives Export Processing Zone status;

4.3.3 that the following licences be in place in respect of NNDC within 90 days from the Signature Date of the Share Purchase Agreement:

4.3.3.1 Water extracting permit;

4.3.3.2 Environmental assessment certificate; and

4.3.4 that shareholders' approval be obtained after a Circular to shareholders in terms of the JSE Listings Requirements.

5. **PURCHASE CONSIDERATION**

5.1 **The purchase price**

The maximum purchase consideration in respect of the Acquisition shall be N$3 621 149 000, payable to the Seller by way of an issue of a maximum of 772.1 million Trustco shares to the Seller, at an issue price of N$4.69 per share, which purchase consideration will be settled as follows:

5.1.1 **An initial amount of N$672 000 000**

5.1.1.1 An initial amount of N$672 000 000, which will be settled by way of an issue of 143.3 million Trustco shares to the Seller, at an issue price of N$4.69 per share, which amount represents 100% of the current Value of the Initial Mineral Resources Estimate converted using an exchange rate of N$11.35 for every US$1. The Initial Mineral Resource is as per the Competent Person's Report.

5.1.1.2 The price of N$672 000 000 must be settled within 30 days of the Closing Date.

5.1.2 **Subsequent payments**

The balance of the purchase consideration amounting to N$2 949 149 000 will be settled by way of the issuance of a maximum of 628 800 000 Trustco shares at N$4,69 each issued by way of annual payments determined in accordance with paragraphs 5.1.2.1 and 5.1.2.2. to the Seller, over a period of nine years from the Closing Date subject to:

5.1.2.1 **Payments based on achieving the annual EBITDAASA targets**

5.1.2.1.1 These Trustco consideration shares will be issued to the Seller upon achieving the EBITDAASA annual targets as per the table below in each respective year: No shares relating to the EBITDAASA related annual targets will be issued in that respective year if the targets are not met:

Annual financial year-end	EBITDAASA annual target**	Number of shares issued if EBITDAASA target met*
31/3/2016	N$50.0 million	6.4 million
31/3/2017	N$110.0 million	14.1 million
31/3/2018	N$121.0 million	15.5 million
31/3/2019	N$133.1 million	17.0 million
31/3/2020	N$146.4 million	18.7 million
31/3/2021	N$161.1 million	20.6 million
31/3/2022	N$177.2 million	22.7 million
31/3/2023	N$194.9 million	24.9 million
31/3/2024	N$214.4 million	27.4 million
Total	**N$1 308.1 million**	**167.3 million**

* *The number of shares to be issued in each period was determined as 60% of EBITDAASA in that period divided by the issue price per share of N$4.69.*

** *The EBITDAASA annual targets are reflective of the normal operating cycles of the company based on the Competent Person's Report. Should the Closing Date not occur before the 31 of March 2016, the first and all subsequent financial year-end dates will automatically be extended until the next financial year.*

5.1.2.2 **Additional Payment if the Mineral Resource exceeds the Initial Mineral Resource Estimate with 1.5 million carats**

5.1.2.2.1 461.5 million Trustco shares will be issued at an issue price of N$4.69 per share to the Seller if at any time during the period of nine years from the Closing Date the Mineral Resource (as determined by an Independent Competent Persons' Report) is in excess of 1.5 million carats, which Mineral Resource excludes the Mineral Resource included in the Initial Mineral Resource Estimate already paid for in terms of clause 5.1.1 above.

5.1.2.2.2 If these additional carats exceed 1.5 million carats, the number of consideration shares issued will be limited to a maximum of 461.5 million Trustco shares.

5.1.3 No consideration will be issued in terms of paragraph 5.1.2 to the Seller if the respective targets referred to in 5.1.2 above are not achieved.

5.1.4 If the targets referred to in paragraph 5.1.2 are exceeded, then shares to be issued to the Seller will be limited to the amounts specified in the aforesaid paragraphs. In such event any value in respect of such excess will be forfeited by the Seller in favour of the Purchaser.

5.2 **Payment method**

5.2.1 The purchase price as determined in paragraph 5.1 above shall be payable by way of a fresh issuance of Trustco shares by Trustco to the Seller or his nominee.

5.2.2 It is a specific term of the Share Purchase Agreement that no portion of the purchase consideration shall be payable to the Seller in cash.

5.2.3 These Trustco shares shall be issued and listed annually within 30 days after publishing of the Annual Financial Statements of Trustco on SENS.

5.2.4 The payments referred to above shall be payable annually for the Payment Term after the Closing Date as determined by the relevant audited financial year-end statements of Huso and its Subsidiaries. The first payment, if any, shall be payable within 30 days of the Closing Date.

5.2.5 The Seller reserved the right to pay any expense relating to the Acquisition on behalf of the Purchaser or to postpone or defer any payment due to it by the Purchaser in order to protect Trustco's future earnings per share for any other reason in its sole discretion.

5.2.6 The outstanding portion of any purchase price payable in terms of paragraph 5.1.2 above will be adjusted in the case of a Trustco share split as a result of a corporate action that leads to a consolidation or split of Trustco shares in issue. Likewise, a consolidation of Trustco shares will pro-rate adjust the amount of Trustco shares to be issued in any given year. All adjustments will be audited and signed off by the Company's auditors.

6. WARRANTIES AND TERMINATION

6.1 **Warranties**

The parties have given each other the warranties and indemnities that are usual in transactions of this nature.

6.1.1 More particularly, the Seller has given the following warranties to Trustco:

6.1.1.1 NNDC shall have the installed capacity to produce at least 15 000 carats of diamonds per annum;

6.1.1.2 that the minimum average EBITDAASA contribution from the Subsidiaries to the Purchaser over the first three year period will be at least N$0.30 EBITDAASA per share annually to all the newly issued Trustco shares for the Acquisition issued in terms of paragraph 5.1 above. Should the Huso Subsidiaries not meet these performance criteria, then Trustco has the discretion to terminate the Agreement.

6.1.1.3 the Seller warrants that an exclusive marketing agreement between NNDC and Morse had been concluded and will remain in force for the duration of the Payment Term. This is an agreement between what will be two subsidiaries within the Trustco Group in the ordinary course of business and the effect of the agreement will eliminate on consolidation. It is therefore not regarded as a material contract .

6.1.1.4 the Seller warrants that it shall not exercise its rights in terms of section 327 of the Companies Act, No. 24 of 2004 (power to acquire shares of minority in take-over scheme) as amended from time to time or any other similar provision in this or any other legislation which entitles a majority shareholder to acquire shares of minority shareholders, other than by agreement between the Seller and a minority shareholder.

6.1.2 The Purchaser has given the following warranties in favour of the Seller, in addition to warranties and indemnities that are usual in transactions of this nature:

6.1.2.1 to utilise and maintain Huso and the Huso Subsidiaries' plant and equipment to their full potential in accordance with industry's best practices. Should the Mineral Resource of NNDC and/or the production of Morse increase to the extend that it will justify an increase in the mine/factory configuration in order to improve the economic return, Trustco undertook to make additional investments to such capacity to optimise the economic return of Huso and the Huso Subsidiaries; and

6.1.2.2 undertook to continue investing in an exploration programme, with the aim to define the full economic potential of the mineral resources within EPL2633.

6.2 **Termination by the Purchaser**

The Purchaser has the right to terminate the Share Purchase Agreement on six months written notice to the Seller, during the first three years of the tenure of the Share Purchase Agreement calculated from the Closing Date, if Huso and the Huso Subsidiaries:

6.2.1 fail to show a positive annual EBITDAASA contribution per Trustco share issued in terms of paragraph 5.1 above; or

6.2.2 the Mineral Resource of the Acquisition falls lower than 350 000 carats, minus carats mined during the previous year.

In the event that the Purchaser terminates the Acquisition as provided for in paragraphs 6.2.1 and 6.2.2 above then:

6.2.3 the Trustco shares issued to the Seller must be returned to the Purchaser in any way allowed by the JSE. Shareholder approval will be obtained (if required) at the time of the return of the shares so as to effect implement the return of the respective consideration shares. The consideration shares will be bought back at their original issue price and payment will be set off against the return of the assets acquired (the Huso shares);

6.2.4 the shares in Huso must be returned by the Purchaser to the Seller;

6.2.5 any dividends received by the Seller on shares issued to the Seller in terms of paragraph 5.1 above must be returned to Trustco; and

6.2.6 adjustment accounts in respect of Huso, the Huso Subsidiaries and the Purchaser must be prepared by the Purchaser's auditors to calculate the consideration payable to restore the parties to their respective positions prior to implementation of the Acquisition.

No penalties are payable if the Purchaser terminates the Acquisition as provided for in this paragraph.

7. PROSPECTS POST THE ACQUISITION

The vision of the Trustco Group shall not be restricted to one specific segment within the value chain, may it be up-stream, mid-stream or down-stream.

Since the establishment of Trustco Resources, management actively sought opportunities that would fulfil the criteria of the Group's long-term strategic plans i.e. that it should hold significant economic/growth potential, profitability and cash flow projections as well as augment the group strategy. The Group's existing infrastructure and the Trustco brand provide a solid platform from which more opportunities will be pursued. Management believes that the resources segment will add significant value to shareholders, in the short-term, but specifically in the long term.

8. CATEGORISATION OF THE ACQUISITION

The Acquisition is classified as a category 1 related party transaction in terms of the Listings Requirements, as the Seller is a related party as defined by paragraph 10.1(b)(i) and (ii) of the JSE Listings Requirements being a material Shareholder and the Group Managing Director of Trustco.

Accordingly, the acquisition requires the approval of Shareholders by way of an ordinary resolution in terms of the Listings Requirements. The related party and his associates, if any, will be taken into account in determining a quorum at the General Meeting but they are excluded from voting on the aforementioned ordinary resolution.

Refer to paragraphs 12.7 and 12.8 for detail regarding the Seller's interest in Trustco shares and his interests in transactions.

9. TRANSACTION EXPENSES

The estimated total cost of concluding and implementing the Acquisition is approximately N$3.654 million (costs are exclusive of VAT) and includes the following:

Expenses	Payable to	N$000
Corporate advisor	DEA-RU	2 000
JSE Sponsor	PSG	100
NSX Sponsor	IJG	10
Independent Expert	Effortless	50
JSE documentation fee	JSE	62
JSE Listing of Initial shares (N$772)	JSE	212
Printing, publication, distribution and advertising expenses		300
Reporting accountants report – *pro forma* financial information and historical financial information	BDO	140
Valuation of purchase consideration	W Consulting	180
Merger approval	Competition Commission	500
Other (including issuing fees and other)		100
Total		**3 654**

9.1 Save for the fees disclosed above and as otherwise disclosed in this Circular, none of the advisors have any interest in the Company.

9.2 Trustco has not incurred any preliminary expenses in the three years preceding this Circular.

10. BACKGROUND AND OVERVIEW OF TRUSTCO

Trustco Group Holdings Limited is a diversified financial services company incorporated in Namibia. The business commenced in 1992 with the acquisition of a property development company and its operations have grown substantially since its inception. The Group operates in Namibia and South Africa and was listed on the NSX and the Africa Board of the JSE in 2006 and 2009, respectively. The listing was moved to the Main Board of the JSE in 2012.

The Group operates subsidiaries in four main business sectors:

10.1 Insurance and investments

The insurance segment offers innovative short term and life insurance products to the lower income group. Products underwritten by this segment include legal insurance, funeral cover, income protection cover, dread disease cover and hospitalisation cover.

The investment portfolio, historically created by excess returns in the insurance operations, has given rise to a diversified portfolio of active investments, notably into mainly property development and education as well as air charter and media services.

Properties:

The main focus of this division is on strategic virgin property situated in both the capital and the northern region of Namibia. Ultimately the developments will service industrial, commercial and residential needs.

Education

The education arm of the segment is committed to providing quality accredited and value-adding educational programmes. This has enabled the Group to contribute to the educational, economic and social advancement of Namibians. With skills acquired through studying with The Institute for Open Learning, students not only enhance their own net income, but plough their experience and knowledge back into the community.

10.2 Banking and finance

On 1 September 2014 the group acquired all the shares of Fides Bank Namibia Ltd. The name was subsequently changed to Trustco Bank Namibia Ltd and operates under one of only seven commercial banking licenses in Namibia. The bank operates from four branches in Namibia and has historically catered to developmental and micro-finance clients.

The aim of the banking segment is to stimulate a growing economy by providing access to financing, education and financial services. During the past few years Trustco Finance has grown its student loan book to N$660 million with non-performing loans still well below 6%.

10.3 Resources

Trustco recently established the Resources segment aiming to utilise and develop the minerals portfolio of Namibia. The division plan to do its first acquisition of Huso Investments which is the subject of this Circular.

10.4 Emerging markets

The introduction of Namibian business models into emerging markets is a strategic objective of the Group to ensure sustainable long-term benefits to stakeholders. The insurance products, including mobile and technology based solutions will lead to the successful expansion in emerging markets.

For more financial information on the different segments refer to the segment report in Annexure 3.

11. **SUBSIDIARIES OF TRUSTCO**

11.1 Refer to the table In Annexure 14 for detail on Trustco's interest in subsidiaries.

11.2 Neither Trustco nor any of its subsidiaries is affected by any degree of government protection or any investment encouragement law.

12. **DIRECTORS AND CORPORATE GOVERNANCE**

12.1 **DIRECTORS' INFORMATION AND CORPORATE GOVERNANCE**

12.1.1 Annexure 1 contains the following information relating to Directors:

12.1.1.1 details of the Directors service contracts;

12.1.1.2 details of the Directors including their qualifications and experience; and

12.1.1.3 current and previous directorships held by the directors of Trustco.

12.1.2 Trustco maintains sound corporate governance as a core business principle. The board endeavour that the Company and its subsidiaries fully comply with principles of the Code of Corporate Practices and Conduct contained in the King III report. The Company has a unitary Board comprising three executive and four non-executive directors as defined by the King III report and the roles of Chief Executive Officer and Chairman are separate. The Chairman is an independent non-executive Director. All non-executive directors are independent. Further details relating to Corporate Governance can be found in Annexure 2.

12.2 **DIRECTORS' DECLARATIONS AND CONFIRMATIONS**

12.2.1 None of the directors mentioned in Annexure 1 have:

12.2.1.1 been convicted of an offence resulting from dishonesty, fraud or embezzlement in the preceding 20 years;

12.2.1.2 ever been put into liquidation or be placed under judicial management or had an administrator or other executor appointed during the period when the director was (or within the preceding 12 months had been) one of its directors, or alternate directors;

12.2.1.3 ever been declared bankrupt or sequestrated in any jurisdiction and not been rehabilitated;

12.2.1.4 at any time been a party to scheme of arrangement or made any other form of compromise with their creditors;

12.2.1.5 ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;

12.2.1.6 ever been involved in any compulsory liquidations, creditors voluntary liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such events;

12.2.1.7 ever been barred from entry into a profession or occupation;

12.2.1.8 ever been convicted in any jurisdiction of any criminal offence or of an offence under legislation relating to the Companies Act;

12.2.1.9 ever been subject to public criticism by statutory or regulatory authorities, including recognised professional bodies;

12.2.1.10 been removed from an office of trust, on the grounds of misconduct, involving dishonesty;

12.2.1.11 ever been party to a receivership of assets as provided for in paragraph 7.B.2(i) of the JSE Listings Requirements; and

12.2.1.12 been given an order granted by court declaring the person delinquent or placing the person under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, No. 69 of 1984 or if the person was disqualified by a court to act as a Director in terms of section 219 of the Companies Act, No. 61 of 1973.

12.2.2 All the directors appointed have submitted their completed director's declarations in compliance with Schedule 21 of the Listings Requirements.

12.2.3 All the directors are Namibian citizens except for Mr J Mahlangu and Mr R McDougall who are South African citizens.

12.2.4 The audit committee of Trustco has considered and satisfied itself as to the appropriateness of the expertise and experience of the current financial director and chief financial officer.

12.2.5 The board will at all times exercise due care and diligence in the performance of its duties in accordance with the highest possible standards.

12.2.6 The company secretary of Trustco, supports the directors in maintaining the regulatory compliance of Trustco. The board has considered and satisfied itself as to the competence, qualifications and experience of the company secretary and believes that the company secretary will be able to provide the board with the requisite support for its efficient functioning and discharge of its duties. The company secretary is subject to an annual evaluation by the board.

12.2.7 Trustco's Board of Directors, Executive and Senior Management embrace and remain committed to the implementation and execution of the highest levels of corporate governance so as to facilitate the provision of exceptional leadership across the Group and its subsidiaries. The Group has applied the principles as set out in King III, establishing a leadership component firmly based on fairness, accountability, responsibility and transparency. Policies and procedures are in place to materially apply the principles recommended by King III. Refer to Annexure 2 for a detailed summary of Trustco's corporate governance.

12.3 **EXTRACTS FROM THE ARTICLES OF ASSOCIATION RELATING TO DIRECTORS**

The relevant provisions of the Articles of Association concerning the qualification, remuneration, and appointment of the directors are set out in Annexure 13 to this Circular.

12.4 **BORROWING POWERS**

12.4.1 For borrowing powers of the directors refer to Annexure 13 par 68.

12.4.2 The directors' borrowing powers have not been exceeded during the past three years.

12.5 **DIRECTORS' SERVICE CONTRACTS, RESTRAINTS OF TRADE AND REMUNERATION**

12.5.1 One-third of the non-executive directors retire annually and, if available may be re-elected by shareholders at each annual general meeting of the Company on the terms and conditions approved by shareholders. All of the executive directors are subject to restraints of trade agreements. No person holds any preferential rights other than normal shareholder rights relating to the appointment of any particular director or number of directors.

12.5.2 No service agreements exist between Trustco and its non-executive directors. The terms and conditions are determined by the Remuneration Committee.The remuneration of none of the directors will vary in consequence of the Acquisition.

12.5.3 The remuneration of none of the directors will vary in consequence of the Acquisition.

12.5.4 The remuneration of the directors during the last financial period, being the year ended 31 March 2015, was as follows:

	Basic salary N$000	Incentive bonus N$000*	Other benefits N$000	Services as directors' fees N$000	Directors' fees paid by subsidiary N$000	Total N$000
2015						
Executives						
Q van Rooyen	–	–	–	–		–
FJ Abrahams	1 261	350	95	–		1 706
R McDougall	1 992	350	144	–		2 486
	3 253	**700**	**239**	**–**		**4 192**
Non-executives						
Adv R Heathcote	–	–	–	397	–	397
V de Klerk #	–	–	–	66	–	66
R Taljaard	–	–	–	179	222	401
WJ Geyser	–	–	–	235	451	686
J Mahlangu	–	–	–	154		154
	–	**–**	**–**	**1 031**	**673**	**1 704**

**Discretionary contingent bonuses were issued to the directors during the year, these bonuses vest in 2017 and will be settled in cash.*

 # Resigned 1 September 2014.

12.5.4.1 No payments are proposed to be made, either directly or indirectly, in cash or securities or otherwise to the directors in respect of commission, expense allowances, benefits, profit sharing agreements, pension contributions, management, consulting, technical or secretarial fees.

12.5.4.2 Directors' remuneration shall be paid as set out in Annexure 13 paragraphs 53 and 54.

12.5.4.3 No monies have been paid or agreed to be paid, within the three years preceding the Last Practicable Date, to any director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director, or to any partnership, syndicate or other association of which he is a member, in cash or securities or otherwise, by any person either to induce him to become or to qualify him as a director.

12.5.4.4 Other than fees paid in terms of paragraph 12.6 below no fees have been paid or accrued as payable to a third party *in lieu* of directors' fees.

12.5.4.5 No share options or a similar right to Trustco shares as provided for in paragraph 7.B.7(i) of the JSE Listings Requirements will have been granted at the Last Practicable Date and there is no share option or purchase scheme in place as provided for in paragraph 7.B.7(j) of the JSE Listings Requirements.

12.5.4.6 There are no commissions, gains or profit sharing arrangements provided for in paragraph 7.B.7(h) of the JSE Listings Requirements.

12.5.4.7 Other than as disclose above and in paragraph 12.6 below the directors have received no other benefits as provided for in paragraph 7.B.7(k) of the JSE Listings Requirements from holding companies, subsidiaries, associates, joint ventures or otherwise.

12.5.4.8 There are no contracts or proposed contracts except as disclosed under paragraph 12.6 below, either written or oral, relating to the directors' and managerial remuneration, secretarial and technical fees and restraint payments payable by Trustco or its subsidiaries as provided for in par 7.F.3 of the JSE Listings Requirements.

12.6 **AMOUNTS PAYABLE TO THE GROUP MANAGING DIRECTOR**

12.6.1 Mr Quinton van Rooyen, the group managing director, is the sole shareholder of Next Investments.

12.6.2 Next Investments has a management contract with Trustco in terms of which a management fee is paid quarterly as follows:

12.6.2.1 0.5% of the turnover of the Group;

12.6.2.2 1% of the headline earnings of the Group; and

12.6.2.3 1% of the basic earnings of the Group.

If targets are not met, the management fee is halved, whilst, if growth exceeds inflation plus 5% then the management charge is doubled. Inflation in Namibia was recorded at 3.4% year-on-year growth on 31 March 2015. The management fee paid to Next Investments for the year ended 31 March 2015 was N$22 million (2014: N$26.1 million). Mr Quinton van Rooyen does not earn any salary, bonus, other benefits or fees as a director of Trustco.

This contract was entered into on 31 March 2010 and is unrelated to the Acquisition and will not be varied as a result of the Acquisition.

12.6.3 A surety fee is payable based on all surety pledged by the Managing Director for exposures in the Group. The fee is calculated at 2% of all outstanding suretyships on a quarterly basis. At 31 March 2015, the value of surety pledged was N$812.4 million (2014: N$259 million).

12.6.4 An amount of N$0.5 million owing to Next Investments at 31 March 2015 is unsecured, bears interest at Namibian prime lending rate of 9.25% p.a and is repayable within the next 12 months.

12.6.5 Also refer to the related party note in the Trustco Audited Financial Statements included in Annexure 3 and incorporated by way of reference in paragraph 31.1 of the Circular.

12.7 **DIRECTORS' INTEREST IN TRUSTCO**

12.7.1 **Directors' interest before the Acquisition as at Trustco financial year-end namely 31 March 2015**

Set out below are the names of directors (including directors who have resigned in the last 18 months) of Trustco that, directly or indirectly, are beneficially interested in Trustco shares as at 31 March 2015, before the Acquisition:

Name	Direct beneficial shareholding	Indirect beneficial shareholding	Total beneficial shareholding	Shareholding in Trustco as a %
Executive Directors				
Quinton van Rooyen	392 554 120		392 554 120	50.84
Floors J Abrahams	1 313 326		1 313 326	0.17
Ryan McDougall	657 365		657 365	0.09
Johannes Jones*	2 860 738		2 860 738	0.37
Elmarie Janse van Rensburg*	756 864		756 864	0.10
Adriana Lambert*	228 072		228 072	0.03
Ilana Calitz*	112 922		112 922	0.01
Non-executive Directors				
Winton Geyser	7 994		7 994	0.00
Renier Taljaard	5 750		5 750	0.00
Veronica de Klerk#	16 000		16 000	0.00
Raymond Heathcote	680 012		680 012	0.09

** Directors of a subsidiary.*

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12.7.2 **Directors interest before the Acquisition as at the last practical date**

Set out below are the names of directors (including directors who have resigned in the last 18 months) of Trustco that, directly or indirectly, are beneficially interested in Trustco shares as at the Last Practicable Date, before the implementation of the Acquisition:

Name	Direct beneficial shareholding	Indirect beneficial shareholding	Total beneficial shareholding	Shareholding in Trustco as a %
Executive Directors				
Quinton van Rooyen	392 554 120		392 554 120	50.84
Floors J Abrahams	1 325 748		1 325 748	0.17
Ryan McDougall	657 365		657 365	0.09
Johannes Jones*	2 688 160		2 688 160	0.35
Elmarie Janse van Rensburg*	769 286		769 286	0.10
Adriana Lambert*	254 234		254 234	0.03
Ilana Calitz*	141 222		141 222	0.02
Non-executive Directors				
Winton Geyser	40 116		40 116	0.00
Renier Taljaard	18 172		18 172	0.00
Veronica de Klerk#	16 000		16 000	0.00
Raymond Heathcote	720 034		720 034	0.09

* *Directors of a subsidiary.*

Resigned 1 September 2014.

12.7.3 **Directors' interest after the Acquisition**

12.7.3.1 Except for Mr Quinton van Rooyen the table as set out in 12.7.2 above remains unchanged after the Acquisition.

12.7.3.2 Set out below is Mr Quinton van Rooyen's, directly or indirectly, beneficial interest in Trustco shares as at the Last Practicable Date, adjusted for the issue of new shares assuming the table as set out in paragraph 5.1.2 and a maximum of 772 083 582 new shares being issued in terms of the Acquisition over the Payment Period:

Current shareholding and potential shareholding of Mr Q van Rooyen Name	Direct beneficial shareholding of Mr Q van Rooyen	Total beneficial shareholding of Mr Q van Rooyen	Trustco shares in issue	Mr Q van Rooyen shareholding in Trustco %	Public share-holding in Trustco %
Shares in issue as at Last Practicable Date before Acquisition	392 554 120	392 554 120	772 142 090	50.84	49.16

Current shareholding and potential shareholding of Mr Q van Rooyen Name	Direct beneficial shareholding of Mr Q van Rooyen	Total beneficial shareholding of Mr Q van Rooyen	Trustco shares in issue	Mr Q van Rooyen shareholding in Trustco %	Public share-holding in Trustco %
Effect of the Acquisition	**Acquisition shares issued**	**Cumulative effect of Acquisition shares issued**	**Cumulative number of shares in issue if targets it par 5.1.2 are met over nine-year period**		
30 days after the Closing Date	143 300 000	535 854 120	915 442 090	58.54	41.46
31/3/2016*	6 400 000	542 254 120	921 842 090	58.82	41.18
31/3/2017*	14 100 000	556 354 120	935 942 090	59.44	40.54
31/3/2018*	15 500 000	571 854 120	951 442 090	60.10	39.90
31/3/2019*	17 000 000	588 854 120	968 442 090	60.80	39.20
31/3/2020*	18 700 000	607 554 120	987 142 090	61.55	38.45
31/3/2021*	20 600 000	628 154 120	1 007 742 090	62.33	37.67
31/3/2022*	22 700 000	650 854 120	1 030 442 090	63.16	36.84
31/3/2023*	24 900 000	675 754 120	1 055 342 090	64.03	35.97
31/3/2024*	27 400 000	703 154 120	1 082 742 090	64.94	35.06
Any date during the Payment Period#	461 500 000	1 164 654 120	1 544 242 090	75.42	24.58
Aggregate number of potential Acquisition shares issued if all targets are met	**772 100 000**				

** These issues are subject to the annual consolidated target of EBITDAASA being achieved by Huso and its Subsidiaries as set out in paragraph 5.1.2 of the Circular.*

 # This payment of 461.5 million shares at an issue price of N$4.69 per share, to be issued at any time during the Payment Period upon establishment of the Resources to be in excess of 1.5 million carats as set out in paragraph 5.1.2.2 of the Circular.

12.8 **DIRECTORS' INTEREST IN THE ACQUISITION AND OTHER TRANSACTIONS**

Except for the Acquisition involving Mr Quinton van Rooyen set out in this Circular, none of the directors, including those who resigned in the 18 months preceding the last practical date or promoters of Trustco have any material beneficial, direct or indirect interest in the Acquisition or any other transactions, including acquisition of property during the preceding three years which were effected by Trustco.

12.9 **PROMOTERS' AND OTHER INTERESTS**

12.9.1 No promoter has had any material beneficial interest, direct or indirect, in any property acquired or to be acquired by the Company. No amount has been paid in the preceding three years, or is proposed to be paid to any promoter, partnership, syndicate or other association of which the Company is or was a member. No fees or commissions have been paid in the three year period preceding the Last Practical Date relating to any underwriting or sub-underwriting. No commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any shares in the Company. There is no promoter as defined in the JSE Listings Requirements to the Acquisition.

12.9.2 No monies have been paid or agreed to be paid, within the three years preceding the Last Practical Date, to any director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director, or to any partnership, syndicate or other association of which he is a member, in cash or securities or otherwise, by any person either to induce him to become or to qualify as a director.

13. **FINANCIAL INFORMATION**

13.1 **HISTORICAL FINANCIAL INFORMATION ON TRUSTCO**

An extract of the published consolidated audited historical statement of financial position of the Trustco Group as at 31 March 2013, 2014 and 2015 and the consolidated audited statement of comprehensive income, statement of changes of equity, and statement of cash flows for the years ended 31 March 2013, 2014 and 2015 is presented in Annexure 3 to this Circular. The accounting policies are presented in Annexure 4 to this Circular. The report on historical financial information of Trustco is the responsibility of the directors of Trustco and was prepared in terms of IFRS. The published financial statements are available on Trustco's website and incorporated by way of reference in paragraph 31.1 of the Circular.

13.2 ***PRO FORMA*** **FINANCIAL INFORMATION**

The *pro forma* financial information has been compiled using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated annual financial statements of Trustco for the year ended 31 March 2015. The *pro forma* figures have been given no greater prominence than unadjusted financial figures, are presented in a manner consistent with both the format and accounting policies adopted in the historical financial information, as set out in Annexure 4, and adjustments have been quantified on the same basis as would normally be calculated in preparing financial statements.

The *pro forma* consolidated statement of comprehensive income and statement of financial position, after the Acquisition, are set out in Annexure 9 to this Circular. The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in Annexure 10 to this Circular.

The unaudited *pro forma* financial effects of the Acquisition, as set out below, are the responsibility of the Directors, have been prepared for illustrative purposes only to show how the Acquisition would have affected Trustco's financial performance and position and, because of its nature, may not fairly present Trustco's financial position and results of operations and are based on the audited published results of Trustco for the year ended 31 March 2015.

13.2.1 *Pro forma* financial information to illustrate the financial effect of the initial payment as provided for in paragraph 5.1.1 of the Circular

	Before 31 March 2015[1] (cents)	**Sale of treasury shares *pro forma* adjustments[2,3] (cents)**	***Pro forma* after sale of treasury shares adjustments[2,3] (cents)**	**Purchase of Huso consolidated, effect of Morse and Acquisition *pro forma* adjustments (cents)**	***Pro forma after purchase of Huso and Morse adjustments*[4,5] (cents)**	**Percentage change[6]**
Earnings per ordinary share	43.59	(1.36)	42.23	(7.30)	34.93	(17.29)
Diluted earnings per share	43.29	(1.33)	41.96	(7.22)	34.74	(17.21)
Headline earnings/(loss) per share	39.64	(1.04)	38.60	(6.74)	31.86	(17.46)
Diluted headline earnings per share	39.36	(1.01)	38.35	(6.66)	31.69	(17.37)
Net asset value per share	218.21	13.08	231.29	(29.59)	201.70	(12.79)
Net tangible asset value per share	169.79	16.95	186.74	(23.35)	163.39	(12.50)
Ordinary shares in issue	772 142 090		772 142 090	143 300 000	915 442 090	18.56
Weighted average number of shares in issue	695 582 000	61 734 000	757 316 000	143 300 000	900 616 000	18.92
Diluted weighted average number of ordinary shares in issue	700 504 000	61 734 000	762 238 000	143 300 000	905 538 000	18.80

The full *pro forma* statement of comprehensive income and the *pro forma* statement of financial position and the accompanying notes and assumptions are set out in Annexure 9 to the Circular.

Notes:

1. The "Before" basic earnings and headline earnings per share have been extracted without adjustment from the audited, published consolidated annual financial statements of Trustco for the year ended 31 March 2015. The "Before" net asset value and tangible net asset value per share have been extracted without adjustment from the financial information presented in audited, published consolidated annual financial statements of Trustco for the year ended 31 March 2015.
2. The "Sale of treasury shares *pro forma* adjustments" and the "*Pro forma* after sale of treasury shares adjustments" earnings per share and headline earnings per share illustrates the effect of the disposal by Trustco of the 61 734 000 treasury shares in the open market for an aggregate amount of N$235 746 000 and assumes that the proceeds of the disposal was used to reduce Trustco debt resulting in an after taxation interest saving of approximately N$16 585 000.
3. The "*Pro forma* after sale of treasury shares adjustment" net asset value and tangible net asset value illustrates the effect of the disposal by Trustco of the 61 734 000 treasury shares for an aggregate amount of N$235 746 000. This will not have a continuing effect on Trustco's financial results.
4. The "Purchase of Huso *pro forma* adjustments" and the "*Pro forma* after the purchase of Huso" earnings per share and headline earnings per share illustrates the effect of the Acquisition based on the audited historical financial performance of the Huso consolidated financial results as an exploration company and Morse for the financial year and 9 month period ended 31 March 2015, respectively. The Huso audited report on historical financial information are included by way of reference in paragraph 31.9 of the Circular. Transaction cost amounting to N$3.654 million was recognised in respect of the acquisition, with a tax effect of 33% which is the latest published Namibian corporate rate of tax. This adjustment will not have a continuing effect.
5. The "Purchase of Huso *pro forma* adjustments" and the "*Pro forma* after the purchase of Huso" net asset value and net tangible asset value per share assumes the payment of the initial purchase consideration by way of an issuance of 143 300 000 new Trustco shares at N$4.69 per Trustco share and the fair value of the contingent consideration to be settled in shares to the Seller from 31 July 2016 to 31 July 2024. The fair value of the contingent consideration has been calculated using a discount rate of 16.63% as per an independent valuator.
6. Measured as the "*Pro forma* after purchase of Huso and Morse" column as a percentage of the "*Pro forma* after sale of treasury shares.

13.2.2 *Pro forma* financial information to illustrate the financial effect of the potential uncertain subsequent payments as provided for in paragraph 5.1.2 of the Circular

Please see paragraph 1 of Annexure 9 for the summary pro forma financial effects table illustrating the financial effect of the subsequent payments as provided for in paragraph 5.1.2 of the Circular.

13.3 **HISTORICAL INFORMATION ON HUSO**

The report of the historical financial information of Huso and its subsidiary is incorporated into this Circular in paragraph 31.9 by way of reference as provided for in paragraph 11.61 of the Listings Requirements. The financial information in this report was extracted from the consolidated audited financial statements of Huso for the year ended 31 March 2015 and was reported on by the auditors without qualification. Further particulars on Huso as required in terms of the JSE Listings Requirements and the Reporting Accountants' Report on the report on historical financial information is set out in Annexure 5 and 6 of this Circular, respectively. The report on historical financial information is the responsibility of the directors of Trustco. The report on historical financial information was prepared in accordance with and applying the accounting policies of Trustco as set out in Annexure 4 of this Circular.

13.4 **HISTORICAL INFORMATION ON NNDC**

The report of the historical financial information of NNDC is incorporated into this Circular in paragraph 31.8 by way of reference as provided for in paragraph 11.61 of the Listings Requirements. The financial information in this report was extracted from the audited financial statements of NNDC for the three financial years ended 31 March 2015 and was reported on by the auditors without qualification. Further particulars on NNDC as required in terms of the JSE Listings Requirements and the Reporting Accountants' Report on the report on historical financial information and the reporting accountants' report thereon is set out in Annexure 7 and 8 of this Circular, respectively. The report on historical financial information is the responsibility of the directors of Trustco. The report on historical financial information was prepared in accordance with and applying the accounting policies of Trustco as set out in Annexure 4 of this Circular.

14. **MATERIAL CHANGES**

14.1 On 1 September 2014 the group acquired all the shares of Trustco Bank. Trustco Bank operates under one of only seven commercial banking licenses in Namibia. The bank operates from four branches in Namibia and has historically catered to developmental and micro-finance clients.

14.2 On 30 June 2014 the Group acquired all the shares of Farm Herboths, an operational farm and residential development. This acquisition was a strategic step in bolstering the group's target of property to extend the pipeline of residential property development.

14.3 On 23 January 2014 the Group acquired all the shares of Elisenheim, the registered owner and developer of a residential and commercial housing estate.

14.4 Trustco Resources was established in February 2015, as a platform to access opportunities within the natural resources industry, which is believed to be a significant source of wealth. The Acquisition is the first envisaged transaction within the Trustco Resources segment.

14.5 Save for the transactions listed above and the Acquisition set out in this Circular, there have been no material changes in the business of the Company in the past five financial years or in the financial trading position of the Company or its subsidiaries between 31 March 2015, being the financial year end of the Company, and the Last Practicable Date.

14.6 There have been no changes in the trading objects of Trustco in the previous five years.

15. CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

15.1 Material loans and borrowings

Lender	Outstanding balance N$000	Secured or Unsecured and details of security	Terms and conditions of repayment	Rate of interest %	Details of redemption or conversion rights	If payable within 12 months – financing
Development Bank of Namibia Ltd	49 967	Shares pledged by Mr Q van Rooyen as security	60 monthly repayments	6.25%	N/A	N/A
IFC	39 998	First cession by Trustco Finance Proprietary Limited of the Trustco Student Loan Book, to be shares *pari passu* with the IFC and Absa.	12 semi-annual payments	13.02%	N/A	Operational cash flows
Absa (South Africa)	8 922	Share Pledge granted by Trustco Group Holdings Limited and Trustco Education Proprietary Limited in favour of IFC dated 21 September 2010.	36 equal monthly instalments to the amount of N$ 814,000 including interest.	South African Prime rate less 1%.	N/A	N/A
PROPARCO*	44 417	Second cession by Trustco Finance of the Trustco Student Loan Book, to be shared *pari passu* with the IFC, AfDB, Absa, DEG and PROPARCO.	10 semi-annual payments beginning 2016	9.11%	N/A	N/A
DEG*	112 272	Second cession by Trustco Finance of the Trustco Student Loan Book, to be shared *pari passu* with the IFC, AfDB, Absa, DEG and PROPARCO.	20 semi-annual payments beginning 2016	9.11%	N/A	N/A
AfDB*	57 410	Second cession by Trustco Finance of the Trustco Student Loan Book, to be shared *pari passu* with the IFC, AfDB, Absa, DEG and PROPARCO.	10 semi-annual payments beginning 2016	9.11%	N/A	N/A

Lender	Outstanding balance N$000	Secured or Unsecured and details of security	Terms and conditions of repayment	Rate of interest %	Details of redemption or conversion rights	If payable within 12 months – financing
Bank Windhoek Ltd	124 663	Unlimited surety by Q van Rooyen and C van Rooyen in favour of Bank of Windhoek Ltd	Working capital facility repaid	10%	N/A	N/A
Standard Bank of Namibia*	98 076	Shares pledged by Q van Rooyen and C van Rooyen. Limited surety by Q van Rooyen and C van Rooyen.	12 quarterly payments beginning September 2015	10.25%	N/A	N/A
Listed bonds IFC	194 400	First cession of mortgage deed over undeveloped property in Windhoek and Secured by guarantees from group entities	2x bullet payments, 2016 and 2017	9.36%	N/A	N/A
Listed bonds						
Norfund	100 146	Secured by guarantees from group entities	10 equal semi-annual payments	11.61%	N/A	N/A
Instalment sale (vehicle lease liabilities)	75 496	Asset financing – motor vehicles (various)	various	Ranging between 8% and 12%	N/A	N/A
Bank Windhoek (mortgage bonds)	126 089	Secured over land and buildings and investment properties with carrying values of N$112.5m and N$54.4m respectively.	Repayable in monthly instalments of N$860 099 for up to 17 years	Ranging between 6.5% and 11%	N/A	N/A

* *These liabilities relate to amounts due by Trustco Finance, a wholly owned subsidiary of Trustco.*

15.1.1 As at 31 March 2015, N$80 million of the borrowing facilities not yet fully utilised remains undrawn.

15.1.2 As at 31 March 2015, N$700 million of the N$1 billion JSE approved domestic medium term note programme was unissued.

15.1.3 Payments to be repaid from operating cash generated during the next 12 months.

15.1.4 The Bank of Windhoek loan was utilized for the acquisition of Elisenheim.

15.1.5 The loans in the above table (other than the Elisenheim loan referred to in 15.1.4) arose over the normal course of the business to grow student loans, expand and capitalise the South African insurance business and finance development of land holdings. These were primarily sourced from banks and international developmental funds.

15.1.6 In terms of the provisions of paragraph 7.A.19 of the Listings Requirements loan capital is outstanding as set out in the table above.

15.2 **Lease payments**

Finance lease obligations	N$000
Minimum lease payments due	
Within one year	6 161
In second to fifth year inclusive	2 259
	8 420
Less: Future finance charges	(1 080)
Present value of minimum lease payments due	7 340

Liabilities under finance leases are repayable over periods ranging from one to five years at an effective interest rate of the prime lending rate of 9.25%. These liabilities are repayable in monthly installments of approximately N$228 571 and are secured over motor vehicles with a carrying amount of N$8.8 million.

15.3 **Contingent liabilities**

15.3.1 **Dex group**

On 1 November 2007 the Group acquired all the shares in DEX. In terms of the agreement, the Group had to pay N$20 million cash upfront and further N$45 million by issuing a fixed number of Trustco shares. Shares were issued from 2008 to 2010 based on the pro rata net profit after tax of DEX in each year. The total amount of shares not yet issued, contingent on conclusion of the purchase is 4.922 million Trustco shares.

The purchase agreement was subsequently viewed as completed as DEX achieved its profit targets. At the time of the conclusion however, DEX group had not settled an overdraft facility of N$19.4 million, which was a condition of the agreement. As a result, the liability for payment to acquire was not extinguished, and hence the shares for vendors, issuable once the purchase agreement is legally perfected, were not derecognised.

On 20 September 2013, Dex Group's appeal was dismissed by the Supreme Court of Appeal in South Africa. By 29 January 2014, Dex Group did not honour the order and an application for liquidation was filed. No penalty interest on overdue funds has been raised.

Trustco believes that the overdraft remains recoverable given historical representations made by Dex in various legal proceedings. The Group's accounting policies require that this amount should not be netted off against outstanding receivables.

15.3.2 **City of Windhoek**

The Group has guaranteed the undertaking of bulk services on its real-inventory (Lafrenz) mounting to N$0.66 million.

15.3.3 **Pending legal cases**

The Group has pending legal cases for which the total costs are estimated to be not more than N$20 million.

15.3.4 **Real People Limited**

Amounts owing to Real People Limited in connection with branch costs not properly transferred to Trustco are currently under dispute by the parties. The maximum potential settlement should the Group be unsuccessful in defending its position is N$10 million.

15.3.5 **Canon**

The cancellation of certain service activities performed by Canon in the South African operations has given rise to a potential claim by Canon on the remaining period of the contracts that are currently in dispute by Trustco and Real People Limited. The maximum potential loss to the Group is N$10 million.

15.4 **Vendors for acquisitions**

On 1 December 2013, the Group acquired 100% of the issued share capital of Elisenheim. In terms of the sale agreement, the purchase consideration of N$202.6 million would be settled in tranches beginning 1 April 2014. The balance as at 31 March 2015 of N$70 million is interest free. Refer to paragraph 15.1 for the balance of the loan used to acquire Elisenheim and Annexure 12 for more information on the transaction.

15.5 **Loans receivable**

Neither Trustco nor any of its subsidiaries advanced any material loans as described in paragraph 7.A.20 of the Listing Requirements. All accounts receivables and advances result from advances in the normal course of business or from property sales relating to pre-sales in the Elisenheim property development. On an individual basis none of these receivables are regarded as material.

SHARE CAPITAL

16. **AUTHORISED AND ISSUED SHARE CAPITAL OF TRUSTCO**

16.1 **Share Capital based on the initial payment for the Acquisition**

Share Capital before the Acquisition

Authorised	**N$000**
2 500 000 000 ordinary shares of N$0,23 each	575 000
Issued	
772 142 090 ordinary shares of N$0,23 each	177 595
Share premium	46 300
	223 895

Share Capital after the Acquisition

Authorised	
2 500 000 000 ordinary shares of N$0,23 each	575 000
Issued*	
915 442 090 ordinary shares of N$0,23 each	210 554
Share premium	685 418
	895 972

**The 143.3 million shares issued for the initial aggregate amount of N$672 million is included in this calculation.*

16.2 **Share Capital based on maximum potential payment for the Acquisition**

Share Capital before the Acquisition

Authorised	**N$000**
2 500 000 000 ordinary shares of N$0,23 each	575 000
Issued	
772 142 090 ordinary shares of N$0,23 each	177 595
Share premium	46 300
	223 895

Share Capital after the Acquisition

Authorised	
2 500 000 000 ordinary shares of N$0,23 each	575 000
Issued*	
1 544 272 090 ordinary shares of N$0,23 each	355 178
Share premium	3 489 866
	3 845 044

**The maximum of 772.1 million shares issued for an aggregate amount of N$3 621 149 000 is included in this calculation.*

16.3 Trustco and its subsidiaries collectively held 61 734 000 treasury shares at 31 March 2015 that were sold subsequently in the open market in terms of Trustco's general authority to issue shares for cash resulting in no Trustco treasury shares in issue as at the Last Practicable Date.

16.4 The movement in the share capital since 31 March 2012 is illustrated in the statement of changes of equity for the Trustco Group set out in detail in paragraph 3 of Annexure 3 under the share capital and share premium columns. The table below illustrates the movement as a result of new share issuances and disposals of treasury shares in the open market in the preceding three years:

Date	Number of shares	Share capital	Share premium	Issue price per share	To whom	Why not to all Trustco shareholder
		N$000	N$000	N$		
10 July 2012	30 000 000	6 900	24 600	1.05	General public (no large individual investor)	General issue for cash to fund working capital in the insurance company
29 August 2013	35 000 000	8 050	21 700	0.85	IFC	Specific issue of shares for cash to the IFC to support Trustco's existing student education and lending operations as well as its micro insurance activities

Notes:

The shares were issued at the market value at the date of issuance and no shares were issued as vendor consideration shares.

Trustco sold 76 958 397 Trustco issued shares held in treasury in the open market commencing on 18 March 2015 and ending on 15 July 2015 at an average discount of 1.0484% to the weighted average traded price of Trustco shares over the 30 business days prior to the date of each sale. The weighted average price at which these shares were sold amounts to 379.87 cents per Trustco share.

16.5 There have been no consolidations or subdivisions of the Trustco shares in the three years preceding the Last Practicable Date.

16.6 There have been no public offers of shares in the three years preceding the Last Practical Date.

16.7 The Trustco shares repurchased by Trustco in the three years preceding the Last Practicable Date are reflected in the table below:

Financial period ended 31 March	Number of shares repurchased and cancelled	Consideration paid per share in cents
2015	1 051 746 repurchased (0 cancelled)	177 cents
2014	75 905 651 repurchased (0 cancelled)	91 cents
2013	0 repurchased (0 cancelled)	n/a

16.8 All of the authorised and issued shares (including those placed in terms of the offer) are of the same class and rank pari passu in every respect. Accordingly, no share has any special rights to dividends, capital or profits or capital of the company or any other right, including redemption rights and rights on liquidation or distribution of capital assets. All of the shares are fully paid up and freely transferrable. None of the Trustco shares have any preferential conversion and/or exchange rights. The Articles of Association of Trustco provide that if the company is wound-up the liquidator may distribute among the shareholders in specie the whole or any part of the assets of the company.

16.9 As provided for in the Articles of Association of Trustco, the authorised but unissued shares of the company are under the control of the directors with authority to issue all or part thereof in their discretion subject to the provisions of Section 222 of the Companies Act and the Listings Requirements as set out in paragraph 18 of this Circular.

16.10 Each issued share held by a Trustco shareholder entitles the shareholder to one vote at a general meeting, in person or by proxy.

16.11 No promoters' fees, commission, discounts, brokerages or other special terms were granted during the three years preceding the Last Practical Date in connection with the issue or sale of any securities, stock or debentures in the capital of Trustco.

17. OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES

Other than the IFC Share Subscription Agreement, the IFC Put Option and IFC Share Warrant Agreement and the Rencap Agreement as set out in more detailed in paragraph 21 and Annexure 12 there are no contracts or arrangements, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for shares in Trustco.

18. GENERAL AUTHORITY TO ISSUE SHARES FOR CASH AND TO REPURCHASE SHARES

18.1 General authority to issue shares

In terms of the Listings Requirements, shareholders of companies listed on the JSE may authorise the directors of such companies to issue unissued shares held under their control for cash, subject to certain restrictions. In order to place the directors in a position to take advantage of favourable circumstances that may arise from the issue of such shares for cash for the benefit of the company, the appropriate ordinary resolution in this regard is permitted by Trustco's Articles of Association and has been passed by Trustco's existing shareholder in compliance with both the provisions of the Articles of Association and the Listings Requirements. At this stage, the directors have no plans to issue these shares. Refer to Annexure 13 paragraph 3.4 for an extract of the Articles of Association.

A resolution authorising the general authority was passed by Trustco's existing shareholders on 24 September 2014.

18.2 Authority to repurchase shares

The existing shareholders of Trustco approved a resolution on 24 September 2014, authorising the repurchase of shares by the Company, and/or any subsidiary of the Company, from time to time and upon such terms and conditions and in such amounts as the directors may determine.

Any such repurchase will be subject to the provisions of the Companies Act, the Articles of Association and the Listings Requirements. Refer to Annexure 13 paragraph 13.8 for an extract of the Articles of Association.

19. OTHER LISTINGS

Other than the shares of Trustco listed on the JSE (share code TTO) and the NSX (share code TUC) (only one class), no other class of security is listed on any other stock exchange.

20. MAJOR SHAREHOLDERS OF TRUSTCO

Insofar as is known to Trustco, no Shareholder, other than as set out below, beneficially held, directly or indirectly, an interest of 5% or more of the shares in issue on the Last Practicable Date:

Shareholder	Direct/ Indirect share holding	Total number of shares held	Percentage of shares in issue	Percentage of shares in issue post Acquisition[3]
Q van Rooyen[1]	392 554 120	392 554 120	50.84	75.42
LLC Pershing[2]	59 804 270	59 804 270	7.75	3.87
Total	**425 358 390**	**452 358 390**	**58.59**	**79.29**

Notes:

1. Managing Director of Trustco.
2. LLC Pershing is the custodian of Buckley Capital and Riskowitz capital, which operate closed funds in the USA.
3. Percentage calculated on the percentage of shareholding post issuance of maximum number of consideration shares.

Mr Quinton van Rooyen has been for the preceding five years and still remains the only controlling shareholder of Trustco.

21. **MATERIAL CONTRACTS**

21.1 On 31 January 2014 Trustco published and posted a circular to shareholders detailing the following transactions:

21.1.1 the IFC Share Warrant Agreement;

21.1.2 the IFC Put Option Agreement; and

21.1.3 the Rencap Call Option Agreement;

all of which were approved by the requisite majority of Trustco shareholders at a general meeting of the Company, held on 28 February 2014. Refer to Annexure 12 for more information regarding these corporate actions.

21.2 Trustco, via its wholly owned subsidiary, TrustProp entered into an acquisition agreement with Philco, in terms of which Trustco acquired 100% of the issued share capital of Elisenheim. The transaction was approved by the requisite majority Trustco shareholders at a general meeting held on 19 June 2014. Refer to Annexure 12 for more information regarding the transaction.

21.3 There has not been any material disposal by Trustco or its subsidiaries during the last three years as at the Last Practicable Date.

21.4 Other than the aforesaid and as disclosed in this Circular and as at the Last Practicable Date, there have been no material contracts entered into, either verbally or in writing, by the Trustco Group or the Huso Group, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on by the Trustco Group; and:

21.4.1 entered into within the two years prior to the date of this Circular; or

21.4.2 entered into at any time and containing an obligation or settlement that is material to the Trustco Group or the Huso Group at the date of this Circular.

21.5 There are no royalties payable or items of similar nature in respect of Trustco and any of its subsidiaries to third parties as provided for in paragraph 7.F.4 of the Listings Requirements.

22. **WORKING CAPITAL STATEMENT**

The directors, after considering the effect of the proposed Acquisition, are of the opinion that the working capital available to the Group as enlarged by the proposed Acquisition will be sufficient for the Company and the Group's present requirements being for at least the next 12 months from the Last Practicable Date.

23. **LITIGATION**

Other than the litigation set out in paragraph 15.3 the directors of Trustco are not aware of any other legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving the Trustco Group or the Huso Group which may have, or have had, a material effect on the Group's financial position during the last 12 months preceding the date of this Circular. The proceedings referred to in 15.3 are expected to be finalised by the end of 2016.

24. **DIRECTORS' RESPONSIBILITY**

The directors of Trustco, whose names are provided on page 11 of this Circular accept, collectively and individually, full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any 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.

25. **COMPETENT PERSON'S REPORT**

The summary and the detailed Competent Persons Report is available for inspection in terms of the provisions of paragraph 31.6 of the Circular. Neither the Competent Person nor his staff has or have had any interest in this project capable of affecting their ability to give an unbiased opinion and have not and will not, receive any pecuniary or other benefits in connection with this assignment, other than normal consulting fees.

The Competent Person's Report has been prepared in accordance with Section 12 of the JSE Listing Requirements. The full Competent Persons Report is available on the Trustco website.

26. **REPORT OF THE INDEPENDENT EXPERT**

The Independent Expert has been appointed by the Directors other than Mr Quinton van Rooyen to provide an independent opinion on the Acquisition as required in terms of the Listings Requirements. The Independent Expert concluded that the Acquisition is fair to Trustco shareholders other than Mr Quinton van Rooyen. A copy of the Independent Expert's opinion is contained in Annexure 11 of this Circular.

27. **OPINIONS, RECOMMENDATIONS AND UNDERTAKINGS**

The independent members of the board of directors, taking into account the opinion of the Independent Expert and the Competent Persons Report, has considered the terms and conditions of the Acquisition and is of the opinion that the terms and conditions thereof are fair to Trustco shareholders, and recommends that Trustco shareholders vote in favour of the Acquisition at the General Meeting. All the directors who own Trustco shares in their personal capacity intend voting in favour of the Acquisition except for Mr Quinton van Rooyen who is excluded from voting due to him being the Seller.

The following Trustco shareholders, representing approximately 58.96% of the Trustco shares eligible to vote at the General Meeting have irrevocably undertaken to vote in favour of the scheme:

Name and Surname*	**Category**	**Trustco Shares held (as at the last practicable date)**	**% of Trustco shares eligible to vote at scheme meeting being 379 587 970** (as at the last practicable date)**
Midbrook Lane (Pty) Limited, Protea Asset Management LLC, Conduit Capital Limited, Riskowitz Capital***	External	120 126 303	31.65%
Buckley Capital Management	External	34 362 639	9.05%
Snowball Wealth (Pty) Ltd	External	27 067 399	7.13%
Anchor Capital	External	10 015 775	2.64%
Leo Chih Hao Chou	External	8 000 000	2.11%
Jacobus Prinsloo	External	4 000 000	1.05%
Fuluca Investments (Pty) Ltd	External	2 773 668	0.73%
RJ Marnitz	External	2 750 000	0.72%
Appias (Pty) Ltd	External	1 753 627	0.46%
Schalk Willem Pienaar	External	1 212 908	0.32%
Sygma Investments & Consulting (Pty) Ltd	External	225 000	0.06%
		212 287 319	55.92%
Other	Staff	11 534 800	3.04%
Total irrevocables		**223 822 119**	**58.96%**

**The manager of these funds has signed an irrevocable undertaking to vote in favour of the Acquisition.*

*** There are no treasury shares in issue as at the Last Practical Date.*

**** These shareholders gave a combined irrevocable undertaking that none of them is a major shareholder on a standalone basis.*

28. **NOTICE OF GENERAL MEETING**

A General Meeting of Trustco shareholders will be held at Trustco's registered office, 2 Keller Street, Windhoek, on Monday, 5 October 2015 commencing at 10:00, to consider the resolutions required to effect the Acquisition. A notice convening the general meeting is attached to and forms part of this Circular.

29. **CONSENT**

Each of PSG, BDO South Africa Incorporated, IJG Securities, Transfer Secretaries, the Independent Expert, the Competent Person, DEA-RU and Computershare has provided their written consent to the inclusion of their names and, where applicable, their reports in the form and context in which they appear in this Circular and have not withdrawn their consent prior to the publication of this Circular.

30. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of this Circular will be available in English, along with the following documents, or copies thereof, which will be available for inspection, during normal business hours at the registered office of Trustco and the offices of PSG, from the date of this Circular up to and including the date of the General Meeting:

- the Articles of Association of Trustco and its subsidiaries;
- the Trustco executive directors' service contracts;
- Trustco's audited financial statements (Company and Group) for the financial years ended 31 March 2013, 2014 and 2015;
- the audited consolidated financial statements of Huso and its subsidiaries for the financial years ended 31 March 2015 and the signed independent reporting accountants' report thereon;
- the audited financial statements of NNDC for the financial year ended 31 March 2015 and the reviewed results for the financial years ended 31 March 2013 and 31 March 2014 and the signed independent reporting accountants report thereon;
- the audited financial statements of Morse for the financial year ended 31 March 2015 (Morse was dormant prior to the 2015 financial year) and the signed audit opinion thereon;
- copies of the material contracts referred to in paragraph 21 above;
- copies of the report of the Independent Expert;
- copies of the detailed Competent Persons Report;
- irrevocable undertakings by the Trustco shareholders to vote in favour of the Acquisition;
- the written consents of the appointed professional advisors as set out in paragraph 29 above;
- the signed Reporting Accountants' Reports on the financial effects of the transaction as set out in paragraph 13.2 and in Annexures 10 to this Circular;
- a signed copy of this Circular; and
- signed copy of the Purchase Agreement dated 14 July 2015.

31. **DOCUMENTS INCORPORATED BY REFERENCE**

The following information which has been prepared pursuant to the provisions of the Listings Requirements has been incorporated by reference in terms of paragraph 11.61 of the JSE Listings Requirements and listed in the table below:

Number	**Description**	**Reference to paragraph in Circular**	**Reference to place of inspection**
31.1	Audited financial statements of Trustco	Paragraph 13.1	www.tgh.na/index.php/investors/key-financials
31.2	Corporate Governance King III compliance checklist	Annexure 2	www.tgh.na/index.php/investors/corporate-governance
31.3	Trustco articles of association	Annexure 13	http://j.mp/TrustcoHuso
31.4	Elisenheim Circular	Annexure 12 par 1	http://j.mp/TrustcoHuso
31.5	IFC Circular	Annexure 12 par 3 and 4	http://j.mp/TrustcoHuso
31.6	Summary and detailed Competent Person Report	Paragraph 25	http://j.mp/TrustcoHuso
31.7	Morse audited financial statements	Annexure 9 note 5	http://j.mp/TrustcoHuso
31.8	NNDC report on historical financial information	Paragraph 13.4	http://j.mp/TrustcoHuso
31.9	Huso report on historical financial information	Paragraph 13.3	http://j.mp/TrustcoHuso

* **All the information is available for inspection at no charge, during business hours** at the registered office of Trustco and the offices of PSG, from the date of this Circular up to and including the date of the General Meeting.

7 September 2015

Signed at Windhoek by Ryan McDougall on his own behalf as executive director and on behalf of all the other Directors of the Company, he being duly authorised in terms of powers of attorney granted to him by such other Directors.

INFORMATION RELATING TO THE DIRECTORS AND SENIOR MANAGEMENT OF TRUSTCO

1. DIRECTORS OF THE COMPANY AND SENIOR MANAGEMENT

Name	Business address	Brief CV
Adv Raymond Heathcote (50) *BA LLB* (Appointed 29 September 2010) Namibian	Namlex Chambers 333 Independence Avenue Windhoek Namibia	***Independent non-executive chairman*** ***Chairman of the Board of Directors of Trustco Group Holdings Ltd*** ***Chairman of the Nomination Committee*** Adv. R Heathcote is an advocate of the High Court of Namibia. He was an acting Judge of the High Court of Namibia in 2005, 2007, 2009 and 2011 and several of his judgments have been reported in both the Namibian and South African Law Reports. Adv. R Heathcote was not only honoured by being appointed Senior Counsel in 2009, but has further served as the president of the Society of Advocates in Namibia.
Veronica C de Klerk (67) Appointed 22 August 2006 Resigned 1 September 2014 Namibian	3 Ruhr Street Northern Industrial Windhoek Namibia	***Independent non-executive director*** ***Chairperson of Remuneration Committee*** ***Member of the Nomination Committee*** Ms de Klerk is currently the executive director of Namibia's most prominent rural development organisation – Women's Action for Development (WAD), which is widely known as one of the most effective NGO's in Namibia. Under her leadership, WAD has initiated a diverse range of small businesses and is involved in training an impressive number of unemployed Namibians countrywide to acquire various skills in order to enter the labour market. Through her directorship and prominence in the media, the organisation has attracted a number of frontline Black Economic Empowerment partners to promote Broad Based Economic Empowerment (BBBEE). She has served the Trustco Group as a member of the remuneration and nominations committee and was recently appointed as the chairperson of the remuneration committee.

Name	Business address	Brief CV
Winton J Geyser (55) *BCompt (Hons), BCompt, CA(SA)* (Appointed 29 September 2010) Namibian	27 Kallie Roodt Street Windhoek Namibia	***Independent non-executive director*** ***Chairman of Audit and Risk Committee*** ***Member of the Remuneration and Nominations Committee*** ***Chairman of the board of directors of Trustco Life Ltd*** ***Chairman of the board of directors of Trustco Insurance Ltd*** As a member of the South African Institute of Chartered Accountants, he held the position of assistant manager at the audit firm Deloitte, Haskins & Sells (now Deloitte) and later joined their financial management services division where he provided accounting assistance, taxation and estate planning to a number of individuals and companies. Since then he has performed consultancy work for large corporations and has held various senior positions. Mr Geyser currently holds the position of Group managing director of Epic Holdings (Pty) Ltd and various other directorships in Namibian Companies. He is the chairman of the audit and risk committee and a member of the remuneration and nominations committee.
Renier J Taljaard (54) *BEcon, FCII* (Appointed 5 July 2012) Namibian	Corner of Sam Nujoma and Robert Mugabe Avenue Windhoek Namibia	***Independent non-executive director*** ***Member of Audit and Risk Committee*** ***Member of board of Trustco Insurance Ltd*** ***Member of board of Trustco Life Ltd*** ***Acting chairman of the remuneration committee (1 September 2014)*** Mr Taljaard has held various senior executive positions. Mr Taljaard established Swabou Insurance in 1990 and Swabou Life in 1992. In addition, he founded the Harvest Reinsurance Company in 1997 and served on the Board of Trustco Insurance from 2000 to 2006. He has also held the position of managing director of both Trustco Insurance and Trustco Life, and joined the Board of Trustco Group Holdings on 5 July 2012. Mr Taljaard is a fellow member of the Insurance Institute of South Africa and Namibia and serves the Trustco Group as a member of the audit and risk committee.
Jabulani Mahlangu (48) *BCom (Acc), BCompt (Hons, CTA, CA(SA)* (Appointed February 2013) South African	4 Mahai Close Waterfall Park Midrand South Africa	***Independent non-executive director, Audit and Risk Committee*** Mr Mahlangu completed his articles with Pricewaterhouse Coopers (PwC) in 1996. He joined the Offices for Serious Economic Offences in 1998 and in 2000 returned to the offices of PwC where he was appointed as head of the PwC Forensic Services practice in Gauteng, and was made a partner in 2002. Mr Mahlangu further excelled by starting his own company, Ligwa Advisory Services and has a diverse client base. He has performed audit and forensic-related assignments internationally and in addition carried out various statutory appointments. Mr Mahlangu is a member of the audit and risk committee.

Name	Business address	Brief CV
Quinton van Rooyen (Founder) (50) *Bluris, LLB, DBL (Honoris Causa) Business Leadership and Entrepeneurship (IUM)* Namibian	2 Keller Street Windhoek Namibia	***Group Managing director*** ***Executive director*** Mr Van Rooyen acquired Trustco for a meagre NAD100 in 1992 upon finalising his studies and simultaneously took over the company's debt. His business acumen and skill transformed the Group into a successful dual-listed entity. Moreover, his creativity led to him being voted Business Communicator of the Year in 2003 and voted second 'Most Admired Business Personality of the Year' in 2007. His talent and passion is to create products and services that are sustainable, socially responsible and that create extraordinary wealth for stakeholders by harnessing opportunities in Africa. Mr Van Rooyen whole-heartedly believes that the full potential of Africa is yet to be realised.
Floors Jacobus Abrahams (40) *BCom* Appointed 1 April 2004 Namibian	2 Keller Street Windhoek Namibia	***Group treasurer*** ***Excecutive director*** Mr Abrahams commenced with his articles in 1997 after obtaining his degree and completed them in 1999. During this period he obtained vast experience in the financial sector and conducted various client audits. Upon completion of his articles, he took up the position of Group financial manager in 2000. On 1 April 2004 he accepted appointment as Group financial director, and having recently celebrated his 12th year with Trustco, Mr Abrahams stepped down as Group financial director with effect from 31 March 2013. He continues to act in an executive role, and currently heads up the Group's treasury function.
Ryan McDougall (34) *BBus Sc(Hons), CA(SA), CA(Namibia), FRM* Appointed 31 March 2013 South African	2 Keller Street Windhoek Namibia	***Group financial director, Executive director*** Mr McDougall is a qualified chartered accountant with a wealth of experience in financial services, specifically banking and financial risk management. Following the completion of his articles at KPMG Johannesburg in 2006, Mr McDougall gained practical experience as Head of Treasury Finance at HSBC Securities and the Hong Kong and Shanghai Banking Corporation in their Johannesburg office in South Africa. Thereafter he headed up the financial and regulatory accounting department at Standard Bank in Jersey, Channel Islands. He joined Trustco Group Holdings in 2012 and was appointed to the Board of directors during March 2013.

2. **DIRECTORS OF SUBSIDIARIES AND KEY MANAGEMENT OF TRUSTCO**

Name	Business address	Brief CV
Johannes Jones (Appointed 2006) Namibian	2 Keller Street Windhoek Namibia	***Executive director of subsidiary*** Mr Jones has a wide range of business experience in South Africa ranging from operations and client management in several companies to sales and marketing management in Namibia. Since joining Trustco in 2000, Mr Jones has moved up from being IT manager to General Manager and company director in 2003, before accepting the position of Deputy Group Managing Director. Mr Jones' passion is to integrate technology solutions into viable products, especially for the mass market.
Elmarie Janse van Rensburg Namibian	2 Keller Street Windhoek Namibia	***Executive director of subsidiary*** Ms Janse van Rensburg has been with Trustco for almost 12 years. She joined the Group in February 2002, after her studies at University of the Orange Free State, utilising her legal background as a consultant within the Claims Department of Legal Shield and making her debut into management shortly thereafter. With a view to broadening her horizons, she ventured into the realm of Industrial Relations, her key contribution being the establishment of the HR division and transforming it into the success that it is today. She oversees the administrative and support backbone of the Group including HR, Fleet Services, Security, Marketing and Media.
Adriana Lambert Namibian	2 Keller Street Windhoek Namibia	***Executive director of subsidiary*** Ms Lambert has dedicated 15 years to the Group in various capacities. Having gained eight years' experience within the insurance industry, bolstered by her extensive foundations within management, Ms Lambert took on the challenge of heading up the management of the company's property, capital and finance arm as well as serving as the head of the Institute for Open Learning.
Ilana Calitz Namibian	2 Keller Street Windhoek Namibia	***Executive director of subsidiary*** Mrs Calitz joined the Institute for Open Learning in October 2008. She became a primary school teacher after completing her B.Prim.Ed at the University of Stellenbosch. She joined the Group with 10 years teaching experience behind her. Mrs Calitz initially started her career at the Institute for Open Learning as Student Support Manager. During her five-year career at the Institute, she was part of the developmental process that introduced two Namibian tailor-made teaching qualifications that received NQA accreditation. In January 2013, Mrs Calitz formally received certificates from the Namibian Qualifications Authority; the certificates were for the Institute for Open Learning, the IOL Business School and all its courses, and the two teaching qualifications. She was instrumental in attaining this milestone for Trustco Group Holdings.

Name	Business address	Brief CV
Johannes Jacobus van Rooyen B Mil (BA) South African	2 Keller Street Windhoek Namibia	***Executive management NNDC*** A qualified professional with many years management exposure in various situations and circumstances. Valuable experience was obtained during several years of involvement with alluvial, marine and kimberlitic diamond mining operations in South Africa, Namibia, Angola and Guinea. Experienced in the development and establishment of security and risk management systems and loss control programs within a large size commercial organisation. Has a healthy interest and aptitude for technical and project related subjects and activities. Involvement with several projects from planning through commissioning up to and including full production provided strong operational management experience under various conditions. Engineer training and experience gained during 22 years of service as a senior officer with the South African National Defence Force effectively compliments the above. Is able to work on own initiative or as part of a team. A hard and dedicated worker with strong leadership qualities who work logically and systematically. A problem solver who can think laterally and offer creative solutions to various types of challenges. Have excellent communication skills and a friendly open personality with the ability to work with people at different levels and of different cultures. A resilient person who can function and work in difficult situations and challenging conditions.
Doron Cohen EGL Diamond Planning course EGL Gemolist Course Israeli	2 Keller Street Windhoek Namibia	***Executive management Morse*** 20 years of experience in the Laser Sawing Technology allow him to direct some Laser Sawing Courses around the World and teach operators how to maximise the result and working time. 10 years of Sarine Tech problem solving in the Quazer Sawing Machine whenever and wherever needed.

3. **CURRENT AND PREVIOUS DIRECTORSHIPS OF CURRENT DIRECTORS**

Except for the directors listed below none of the other directors of Trustco held any other directorships outside the Trustco Group during the preceding five years:

Full names	**Directorship**	
Mr Quinton van Rooyen	Next Investments (Proprietary) Limited	Current
	Huso Investments (Proprietary) Limited	Current
	Northern Namibia Development Company (Proprietary) Limited	Current
	Morse Investments (Proprietary) Limited	Current
Mr Winton J Geyser	M Pupkewitz & Sons	Until 2011
	EPIC Holdings (Proprietary) Limited	Current
	EPIC Properties (Proprietary) Limited	Current

CORPORATE GOVERNANCE STATEMENT

The definitions and interpretations commencing on page 5 of this Circular shall apply, *mutatis mutandis*, throughout this Annexure 2. Annexure 1 to the Circular contain the names and designation of the various board committee members and the composition of the board of directors.

1. STATEMENT OF COMPLIANCE

The Group is committed to high standards of corporate governance, best practise, business integrity, ethics and professionalism. The Board continually strive to improve the level of compliance with integrated reporting. The Board recognises the necessity to conduct business in accordance with the King Code of Corporate Practise and Conduct ("King III"); it also adheres to the Namibian Companies Act and the JSE Limited and NSX Listings Requirements. The King III principles are embodied in the Group's internal controls and policy procedures governing corporate conduct. The board is satisfied that the Trustco Group comply with King III.

2. BOARD COMPOSITION

Seven directors, of whom four are independent and non-executive, constitute the board. The executive directors include the managing director and the financial director as recommended by King III. Directors are appointed through a formal process involving the whole board, assisted by the nomination committee and subject to shareholder's approval. Appointments are made based on skills and suitability to ensure a competent, balanced board. Ongoing director development ensures that governance practices are enhanced and board performance optimised. The board comprises a majority of independent non-executive directors ensuring a balance between independence and hands-on expertise. The Company's articles of association provide for matters to be decided by majority of votes and in the case of equality of votes, the chairman shall have the deciding vote.

The chairman of the board is independent and non-executive while the managing director chairs the executive committee and is responsible for the operational management of the group and the development and execution of the strategy as approved by the board. The functions of the chairman and the managing director are clearly separated in the board charter.

At each annual general meeting, one-third of the non-executive directors retires and, if available, may be re-elected by shareholders if the board recommended the eligibility of such directors.

3. BOARD ASSESSMENT

The board members conducted an assessment of the board and board function during the period under review and concluded that the board is effective in all material aspects and continue to identify areas for improvement. To that end senior management has increased its engagement with board during the period under review.

4. COMPLIANCE STATEMENT

Johannesburg Stock Exchange (JSE) Listings Requirements

The board satisfied itself that the group has complied with the Listings Requirements of the JSE where the group has a primary listing as well as the Namibian Stock Exchange (NSX) where the group has a secondary listing.

5. **KING III**

The board has applied the King III principles insofar as the application thereof was in the best interests of the group. Where it was not, the board explained why it did not and applied alternative principles or practices in line with the overarching governance principles of fairness, accountability, responsibility and transparency. A complete compliance list is available on the company's website:
http://www.tgh.na/images/downloads/king_checklist.pdf

6. **COMPANY SECRETARY**

The company secretary is the gatekeeper of good governance and the provider of advice and guidance to the board on its duties and responsibilities. The board is satisfied that the company secretary maintained an arm's length relationship with the board and its directors during the period under review. The company secretary is not a director of the board. The board assessed the company secretary in accordance with best practice performance and evaluation criteria and found her qualifications, experience and competence to be satisfactory.

7. **BOARD COMMITTEES**

The board appointed an Audit and Risk Committee and a Remuneration and Nomination Committee to whom certain functions are delegated. The members of these standing committees are non-executive, independent members of the board, including the chairmen of the committees. The chairman of the board is not a member of any of the committees other than the nomination committee of which he is the chairman as prescribed by the JSE Listings Requirements.

7.1 **Audit and Risk Committee**

Internally, the Audit and Risk Committee satisfies itself of the expertise and experience of the group's finance function, the internal audit function and the risk management process. Externally, this Committee recommends the appointment of the external auditor and oversees the external audit process. It recommends the annual financial statements for approval to the board and ensures disclosure of reliable information on sustainability issues. The Audit and Risk Committee fulfils its functions in accordance with a board-approved charter and is satisfied that all duties were fulfilled in compliance with the charter.

The audit and risk committee comprises of three independent non-executive directors. The members are Mr Winton Geyser, Mr Jabulani Mahlangu and Mr Renier Taljaard.

7.2 **Remuneration and Nomination Committee**

The remuneration portion of the committee comprises non-executive, independent directors and assists the board to set and monitor remuneration policies and make recommendations to the board concerning succession planning and remuneration for all levels of the group, particularly of non-executive directors. It ensures compliance with applicable laws and codes of conduct and review and approve benefits and performance bonus schemes after considering the company's strategy and objective, which is to create value while maintaining incentives and retaining essential skills. The remuneration committee is satisfied that incentives are based on targets that are stretching, verifiable and relevant.

The nomination portion of the committee also constitutes only non-executive independent directors, but is chaired by the chairman of the board as prescribed by paragraph 3.84(a) of the JSE Listings Requirements. The duty of the nomination committee is to assist the board in the appointment of directors to the board in accordance with a formal and transparent procedure. The remuneration and nomination committee have two members who are independent non-executive directors. The members are Mr Winton Geyser and Mr Renier Taljaard.

EXTRACT OF PUBLISHED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS OF TRUSTCO

The following statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and segment report have been extracted from the audited annual financial statements of Trustco for the years ended 31 March 2015, 2014 and 2013. The unqualified audit opinion and the detailed notes to the financial statements can be obtained from Trustco's website. This report on historical financial information is the responsibility of the directors of Trustco.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March	2015 N$000	2014 Reclassified N$000	2013 Reclassified N$000
ASSETS			
Cash and cash equivalents	118 700	131 606	46 924
Advances	806 965	699 932	360 713
Trade and other receivables	574 390	230 774	279 664
Current tax assets	12 982	4 716	8 60
Inventories	323 917	343 850	10 420
Property, plant and equipment	269 329	203 111	179 266
Investment property	708 835	537 330	344 247
Intangible assets	197 623	212 391	232 650
Deferred tax assets	146 359	110 774	78 183
Total assets	**3 159 100**	**2 474 484**	**1 532 927**
EQUITY AND LIABILITIES			
LIABILITIES			
Overdraft	15 020	–	564
Borrowings	1 045 641	730 369	329 481
Trade and other payables	78 891	32 131	129 154
Current tax liabilities	7 945	5 561	29 116
Technical provision	18 880	20 113	20 558
Amounts due to related parties	527	265	–
Policyholders' liability under insurance contracts	44 839	38 520	16 587
Other liabilities	92 750	212 449	6 106
Deferred tax liabilities	304 441	210 721	33 231
Total liabilities	**1 608 934**	**1 250 129**	**564 797**
CAPITAL AND RESERVES			
Share capital	177 595	177 595	169 545
Share premium	46 300	46 300	24 600
Deemed treasury shares	(57 043)	(69 026)	–
Shares for vendors	14 976	14 976	14 976
Contingency reserves	2 250	2 983	4 610
Put options	–	–	(52 832)
Revaluation reserves	52 083	30 641	21 797
Foreign currency translation reserve	(5 936)	(2 075)	1 869
Retained earnings	1 319 941	1 022 961	783 565
Total capital and reserves	**1 550 166**	**1 224 355**	**968 130**
Total equity and liabilities	**3 159 100**	**2 474 484**	**1 532 927**
Number of shares in issue	772 142 090	772 142 090	737 142 090

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March	2015 N$000	2014 Reclassified N$000	2013 Reclassified N$000
Insurance premium revenue	180 863	225 086	150 710
Revenue	836 210	618 468	444 529
Total revenue	1 017 073	843 554	595 239
Cost of sales	(204 614)	(171 976)	(240 194)
Gross profit	812 459	671 578	355 045
Investment income	136 127	123 518	30 153
Insurance benefits and claims	(42 616)	(54 996)	(33 601)
Operating expenses	(404 079)	(382 767)	(280 087)
Finance costs	(105 496)	(57 095)	(27 814)
Profit/(loss) before taxation	396 395	300 238	43 696
Taxation	(93 157)	(47 566)	(4 312)
Profit/(loss) for the year	**303 238**	**252 672**	**39 384**
Other comprehensive income, net of tax			
Items that will not be subsequently reclassified to profit and loss			
Revaluation of property, plant and equipment	22 401	9 353	6 269
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation adjustment	(3 861)	(3 944)	1 869
Total comprehensive income/(loss) for the year	321 778	258 081	47 522
Basic earnings per share (cents)	43.59	33.57	5.41
Diluted earnings per share (cents)	43.29	33.35	5.38

Information on situation, area and tenure of principal immovable property

The table below contains the information on principal immovable property of Trustco Group as required in terms of paragraph 7.D.6 of the Listings Requirements.

Situation	Area	Tenure
2 Keller Street	Windhoek	Owner occupied
Portion 5 (a portion of portion 4) of the farm Elisenheim number 68	Windhoek	Mixed use residential development
Ondangwa Industrial	Ondangwa	Residential development
Herboths	Windhoek	
Lafrenz	Windhoek	Mixed use industrial and residential

- Trustco does not occupy any leasehold property that is regarded as principal immovable property as defined in paragraph 7.D.6 of the Listings Requirements.
- A register containing the information required by paragraph 22(3) of Schedule 4 of the Namibian Companies Act is available for inspection at the registered office of Trustco.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital N$000	Share premium N$000	Foreign currency translation reserve N$000	Deemed treasury shares N$000	Shares for vendors N$000	Contingency reserve N$000	Put options N$000	Revaluation reserve N$000	Retained earnings N$000	Total N$000
Balance at 1 April 2012	162 645	–	–	(3 840)	14 976	2 970	(52 832)	16 806	772 580	913 305
Transfer to contingency reserve	–	–	–	–	–	1 640	–	–	(1 640)	–
Shares issued	6 900	24 600	–	–	–	–	–	–	–	31 500
Sale of deemed treasury shares	–	–	–	3 840	–	–	–	–	1 879	5 719
Transfer between reseves	–	–	–	–	–	–	–	(1 278)	1 278	–
Total comprehensive income for the year	–	–	1 869	–	–	–	–	6 269	39 384	47 522
Dividends for the year									(29 916)	(29 916)
Balance at 31 March 2013	**169 545**	**24 600**	**1 869**	**–**	**14 976**	**4 610**	**(52 832)**	**21 797**	**783 565**	**968 130**
Balance at 1 April 2013	169 545	24 600	1 869	–	14 976	4 610	(52 832)	21 797	783 565	968 130
Transfer to contingency reserve	–	–	–	–	–	(1 627)	–	–	1 627	–
Shares issued	8 050	21 700	–	–	–	–	–	–	–	29 750
Transfer between reserves	–	–	–	–	–	–	–	(509)	509	–
Deemed treasury share purchase	–	–	–	(69 026)	–	–	–	–	–	(69 026)
Put option exercised by the group	–	–	–	–	–	–	52 832	–	–	52 832
Total comprehensive income for the year			(3 944)					9 353	252 672	258 081
Dividends for the year									(15 412)	(15 412)
Balance at 31 March 2014	**177 595**	**46 300**	**(2 075)**	**(69 026)**	**14 976**	**2 983**	**–**	**30 641**	**1 022 961**	**1 224 355**
Balance at 1 April 2014	177 595	46 300	(2 075)	(69 026)	14 976	2 983	–	30 641	1 022 961	1 224 355
Transfer between reserves								(959)	959	–
Transfer to contingency reserve						(733)			733	–
Deemed treasury shares purchase				(1 861)						(1 861)
Deemed treasury shares sold				13 844					32 867	46 711
Total comprehensive income for the year			(3 861)					22 401	303 238	321 778
Dividends for the year									(40 817)	(40 817)
Balance at 31 March 2015	**177 595**	**46 300**	**(5 936)**	**(57 043)**	**14 976**	**2 250**	**–**	**52 083**	**1 319 941**	**1 550 166**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March	2015 N$000	2014 Restated N$000	2013 Restated N$000
Cash flow from operating activities			
Cash generated by operations before working capital changes	448 057	343 088	98 138
Changes in working capital	(276 923)	(159 580)	(76 332)
Interest received	6 421	3 095	3 849
Dividends received	–	–	–
Finance costs	(105 496)	(57 095)	(27 814)
Net advances disbursed	(98 215)	(278 454)	(82 757)
Proceeds from funding liabilities for advances	220 000	240 000	–
Taxation paid	(25 014)	(16 146)	(13 600)
Net cash flow from operating activities	**168 830**	**74 908**	**(98 516)**
Cash flows from investing activities			
Additions to property, plant and equipment	(8 598)	(10 355)	(23 250)
Additions to investment property	(13 321)	–	(3 364)
Additions to intangible assets	(11 661)	(8 173)	(10 326)
Acquisition of subsidiary net of cash acquired	13 319	(10 044)	–
Proceeds on sale of property, plant and equipment	10 103	869	6 917
Proceeds on sale of investment property	2 170	–	1 600
Proceeds on sale of intangible assets	–	6 355	–
Net cash flow from investing activities	**(7 988)**	**(21 348)**	**(28 423)**
Cash flow from financing activities			
Public issue of ordinary shares	–	29 750	31 500
Purchase of deemed treasury shares	(1 861)	(69 026)	–
Proceeds on sale of deemed treasury shares	47 611	–	5 719
Proceeds of borrowings	80 000	80 888	83 433
Repayment of borrowings	(153 740)	–	–
Proceeds from related party loans	–	8 747	–
Repayment of related party loans	(262)	–	(9 895)
Dividend paid	(40 817)	(15 412)	(29 916)
Repayment of other liabilities	(119 699)	(3 261)	3 227
Net cash flow from investing activities	**(188 768)**	**31 686**	**84 068**
Net change in cash and cash equivalents	(27 926)	85 246	(42 871)
Cash and cash equivalents at the beginning of the year	131 606	46 360	89 231
Cash and cash equivalents at the end of the year	**103 680**	**131 606**	**46 360**

SEGMENT REPORT

	Insurance and investments					
For the year ended 31 March 2015	**Insurance N$000**	**Investments N$000**	**Insurance emerging markets N$000**	**Sub-total N$000**	**Banking and Finance N$000**	**Group total N$000**
Revenue						
Segment revenue	13 979	662 943	90 441	767 363	187 093	954 456
Inter-segment revenue	(13 979)	(2 509)	(87 491)	(103 979)	(13 979)	(117 958)
Total revenue	–	660 434	2 500	663 384	173 114	836 498
Insurance income	167 912	–	12 663	180 575	–	180 575
External revenue	**167 912**	**660 434**	**15 163**	**843 951**	**173 114**	**1 017 073**
Segment result	95 171	389 409	(131 177)	355 579	61 916	417 495
Inter-segment	(6 491)	(123 248)	27 766	(104 870)	(9 388)	(114 258)
Profit for the year	**87 959**	**266 161**	**(103 411)**	**250 709**	**52 528**	**303 237**

ACCOUNTING POLICIES OF THE TRUSTCO GROUP

1. ESTIMATES, JUDGEMENTS AND BASIS OF PREPARATION

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncement as issued by the Financial Reporting Standards Council and in the manner as required by the Companies Act of Namibia, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The consolidated annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

1.1 Accounting estimates and judgements

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Judgements refer to specific judgements made by management in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated annual financial statements.

Estimation relates to uncertain future events and their effect on certain assets and liabilities accounted for in the consolidated annual financial statements.

Critical accounting policies

The directors are satisfied that the critical accounting policies are appropriate to the Group.

Critical accounting judgements in applying the Group's accounting policies

Judgements made in the application of IFRS that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in the financial statements:

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Expected manner of realisation for deferred tax

Deferred taxation assets are recognised to the extent that it is probable that the taxable income will be available against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces.

Taxation

Judgement is required in determining the provision for taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group and the Company recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax and deferred tax provisions.

The Group and the Company recognise the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group and the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group and the Company to realise the net deferred tax assets recorded at the reporting date could be impacted.

Property, plant and equipment
The residual values of property, plant and equipment are reviewed annually after considering future market conditions, the remaining life of the assets and projected disposal values. The estimation of the useful lives is based on historical performance as well as expectation about future use and, therefore, requires a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets.

Trade receivables and loans and receivables
The Group and the Company assess their trade receivables and loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Group and the Company make judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing
The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing
The recoverable amounts of cash-generating units or individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that some assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of intangible assets.

The Group and the Company review and test the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of intangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of economic factors such as foreign exchange rates, inflation rates and interest rates.

Distinction between investment properties and owner-occupied properties
Investment property is determined by the use within the Group rather than the use by the individual company. In making its judgement, the group considers whether the property generates cash flows largely independently of the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply or administrative process of the Group.

Properties that are held to earn rentals or for capital appreciation are classified as investment properties and properties that the Group occupy are classified as property, plant and equipment. The Group considers each property separately in making its judgement.

Distinction between investment properties and IFRS 3 business combinations
The Group has both recently and historically acquired shareholding in entities that hold investment property.

The Group primarily revises the appropriateness of treating the acquisition as a business combination and will not recognise the transaction in terms of IFRS 3 if the criteria are not met. The Group will primarily determine whether or not the acquiree is presently conducting activities that may indicate that the purchase is a business combination.

Insurance liabilities
One of the purposes of insurance is to enable policyholders to protect themselves against uncertain future events.

Insurance companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in insurance is inevitably reflected in the financial statements of the insurance company, principally in respect of the insurance liabilities of the company. Insurance liabilities include the provisions for unearned premiums, outstanding claims and incurred but not reported (IBNR) claims.

Process to determine significant assumptions
Insurance risks are unpredictable and the group recognises that it is not always possible to forecast, with absolute precision, future claims payable under existing insurance contracts. Over time, the Group has developed a methodology that is aimed at establishing insurance provisions that have an above-average likelihood of being adequate to settle all its insurance obligations.

Unearned premium provision
Unearned premiums represent the amount of income set aside by the company to cover the cost of claims that may arise during the unexpired period of risk of insurance policies in force at the reporting date. The Group raises provisions for unearned premiums on a basis that reflects the underlying risk profile of its insurance contracts. An unearned premium provision is created at the commencement of each insurance contract and is released as the risk covered by the contract expires. Most of the Group's insurance contracts have an even risk profile. Therefore, the unearned premium provision is released evenly over the period of insurance using a time proportion basis. At each reporting date an assessment is made of whether the provisions for unearned premiums are adequate.

Outstanding claims
Outstanding claims represent the Group's estimate of the cost of settlement of claims that have occurred and were reported by the reporting date, but that have not yet been finally settled. Claims provisions are determined based on previous claims experience, knowledge of events, the terms and conditions of relevant policies and on the interpretation of circumstances. Each notified claim is assessed on a separate case-by-case basis with due regard for specific circumstances, information available from the insured and/or loss adjuster and past experience with similar cases and historical claims payment trends. The approach also includes the consideration of the development of loss payment trends, the levels of unpaid claims, legislative changes, judicial decisions and economic conditions. The Group employs employees experienced in claims handling and rigorously applies standardised policies and procedures to claims assessment.

The ultimate cost of reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Therefore, case estimates are reviewed regularly and updated when new information becomes available. The provision for outstanding claims is initially estimated at a gross level.

Claims incurred but not reported (IBNR)
There is also considerable uncertainty concerning the eventual outcome of claims that have occurred but had not yet been reported to the insurer by the reporting date. The IBNR provision relates to these events. The claims provisions are subject to close scrutiny both within the Group's business units and at a company level. In addition, for major classes where the risks and uncertainties inherent in the provisions are greatest, regular and ad hoc detailed reviews are undertaken by advisers who are able to draw upon their specialist expertise and a broader knowledge of current industry trends in claims development. The results of these reviews are considered when establishing the appropriate levels of provisions for the outstanding claims and unexpired periods of risk. The degree of uncertainty will vary by policy class according to the characteristics of the insured risks and the cost of a claim will be determined by the actual loss suffered by the policyholder. There may be significant reporting lags between the occurrence of the insured event and the time it is actually reported to the Group. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. The establishment of insurance liabilities is an inherently uncertain process and as a consequence of this uncertainty, the eventual cost of settlement of outstanding claims can vary substantially from the initial estimates, particularly for the Group's long tail lines of business. The Group seeks to provide appropriate levels of claims provisions taking the known facts and experience into account.

1.2 Basis of preparation

1.2.1 *Presentation of statement of financial position*

During the year, the Group acquired all the shareholding in a banking institution and conducted various group reorganisations in order to align the Insurance operations and their investment functions; as a result the directors are of the opinion that presenting the statement of financial position in order of liquidity rather than the current versus non-current split, more closely aligns the Group with its peers in the financial services industry and provides users of the financial statements with a more relevant overview of the operations. Where appropriate the split of current versus non-current assets are now presented in the individual notes. Figures that have been aggregated for the first time are reconciled to their historical split in the notes thereto and where figures have been aggregated, that period is described as 'reclassified'. Previously split into current and non-current portions. The items which have now been aggregated in order to present the statement of financial position in order of liquidity basis include Advances (note 4), related portion (note 6), borrowings (note 14) and offer liabilities (note 18). Certain items presented separately in the statement of comprehensive income are now aggregated with the aim of simplifying the user of the financial statements ability to understand the relevant drivers of information. The movement in technical insurance provisions and long-term Insurance provisions are now aggregated. Investment Income now includes other income, fair value gains on investment properties and gain on bargain purchase. The detail of the prior year comparatives are retained in notes 32 and 35. The separate disclosure of these items as in prior years no longer represents material individual significant factors in all users ability to understand the statements. The detail, now aggregated, on the face of the consolidated statement of comprehensive income is presented in the notes. All insurance related notes are now grouped together. The changes to the presentation of the statement of comprehensive income have had no ancillary effect on the statement of financial position, statement of changes in equity or had an effect on previously reported earnings or tax.

2. ACCOUNTING POLICIES

2.1 Basis of consolidation

2.1.1 *Investments in subsidiaries*

Company annual financial statements
Investments in subsidiaries are carried at cost less any accumulated impairment, unless restructured in a common control transaction in which case subsidiaries are carried at fair value and not subsequently revalued. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The changes to the presentation of the statement of comprehensive income have had no ancillary effect on the statement of financial position, statement of changes in equity or had an effect on previously reported earnings or tax.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Common control transactions
As IFRS does not specifically govern the accounting treatment of common control transactions, guidance was sought by investigating the treatment of similar transactions in other jurisdictions. Guidance was obtained from US GAAP, specifically FRS 6.

For group reorganisations where the ultimate shareholder remains the same, 'merger accounting' is applied in accounting for the reorganisation, the following is applicable:

- The results and cash flows of the combining entities is brought into the financial statements of the combined entity from the beginning of the period in which the combination occurred comparative information is similarly adjusted on the same basis.
- The difference between the net carrying value of assets transferred and liabilities assumed less the fair value of any consideration given is recognised in equity.
- Merger expenses are recognised in profit or loss.

2.2 Foreign currency

2.2.1 *Functional and presentation currency*

Items included in the financial statements of each entity in the group are measured using the currency that best reflects the primary economic environment in which the entity operates (the functional currency). The Group financial statements are presented in Namibian Dollar, which is the functional, and presentation currency of the parent company and the presentation currency of the Group.

2.2.2 *Translation of foreign operations*

The financial statements of all Group entities (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- assets and liabilities are translated at rates of exchange ruling at the reporting date;
- specific transactions in equity are translated at rates of exchange ruling at the transaction dates;
- income and expenditure and cash flow items are translated at weighted average exchange rates for the period; and
- all resulting foreign exchange translation differences are recognised in other comprehensive income.

An entity may have a monetary item that is receivable from or payable to a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold and results in loss of control, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

2.3 Segment reporting

The reportable segments of the Group have been identified based on the nature of businesses. This basis is representative of the internal structure for management reporting purposes. Information is also supplied for the various geographies in which the Group operates.

Operating segments are components of the Group that engage in separate business activities and about which separate financial information is available that is evaluated regularly by the chief operating decision-maker (Group executive committee). The Group executive committee decides how to allocate resources and assesses performance of operating segments. Segment accounting policies are the same as the accounting policies as applied to the Group.

The executive committee (exco) reports on the following product lines namely: insurance, banking and finance and investments. Insurance in Namibia and in South Africa have been disaggregated as South Africa is the only non-Namibian operation and is subject to scrutiny.

Inter-segment transfers
Segment revenue, segment expenses and segment results include transfers between business segments and between geographical segments. Such transfers are accounted for at arm's length prices. These transfers are eliminated on consolidation.

Segmental revenue and expenses
All segment revenue and expenses are directly attributable to the segments.

Segmental assets

All operating assets used by a segment principally include property, plant and equipment, investments, inventories, cash balances and receivables, net of allowances.

Segmental liabilities

All operating liabilities of a segment principally include accounts payable, technical liabilities and external interest-bearing borrowings.

2.4 **Inventories**

Inventories are measured at the lower of cost and net realisable value on the first-in first-out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The same cost formula is used for all inventories having a similar nature and use to the entity.

Inventory acquired through business combinations is measured at its fair value at the date of acquisition.

The cost of inventories comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The inventory of real estate is presented at cost (including development and preparation expenses). The cost of the real estate may not exceed the net realisable value. The net realisable value represents an estimate of the selling price in the ordinary course of business based on market prices at the reporting date and discounted for time value of money if material, less an estimate of the cost of construction, and less an estimate of the cost required to execute the sale.

In a transition from inventory to investment property, which is measured at fair value, any difference between the fair value of the real estate on that date and its prior carrying value in the books is recorded directly to profit and loss.

2.5 **Property, plant and equipment**

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is de-recognised. Day-to-day repairs and maintenance are recognised as expenses in profit or loss.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Land, buildings and aircraft are carried at revalued amounts, being the fair value at date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Increases in the carrying amounts of land, buildings and aircraft arising on revaluation are recognised in other comprehensive income. Decreases that off-set previous increases of the same asset and all other decreases, are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from revaluation and other reserves to retained earnings.

Item	Average useful life
Land	Indefinite
Buildings	50 years
Machinery and equipment	6 – 15 years
Motor vehicles	8 years
Office equipment and furniture	6 – 8 years
Computer equipment and software	3 – 5 years
Aircraft	
• Engine	1 500 – 3 500 flight hours
• Airframe	18 000 – 20 000 flight hours
• Avionics and equipment	10 years

The residual value and the useful life of each asset is reviewed at each financial period end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The carrying amounts of property, plant and equipment are assessed for impairment whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

2.6 **Investment property**

Investment properties are held for long-term rental yields or for capital appreciation or both, and are not occupied by companies within the Group. Investment properties are measured initially at cost. After initial recognition, investment properties are measured and carried at fair value.

Fair value is based on valuation performed by appointed independent registered valuer(s) taking into account factors such as the property growth and market in the surrounding area. The fair value of the investment properties reflects the market conditions at the reporting date. Changes in fair values are recognised in profit or loss in the statement of comprehensive income as investment properties fair value adjustment.

On disposal of an investment property, or when it is permanently withdrawn from use and future economic benefits no longer are expected from the property concerned, it shall be derecognised. The difference between the net disposal proceeds and the carrying value is recognised as profit or loss in the period of the retirement or disposal.

Transfer to or from investment property will be made when there is a change in use of the property.

The commencement of owner-occupation for the property would result in a transfer of the investment property to property, plant and equipment. On the other hand, the end of owner-occupation of a property would result in a transfer from property, plant and equipment to investment property.

The Group transfers properties out of investment property when development to put property in a position to sell commences.

When a transfer from property, plant and equipment to investment properties is done, any revaluation to adjust fair values at transfer date is recognised in other comprehensive income.

2.7 **Exploration and evaluation assets**

Exploration assets are carried at cost less any accumulated amortisation and any impairment losses.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. An area of interest is generally defined by the Company as a number of geographically proximate exploration permits which could for the basis of a project. Thses costs are only carried forward to the extent that the Company's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the income statement in the year in which the decision to abandon was made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

2.8 **Intangible assets**

Intangible assets are initially recognised at cost.

Internally generated activities

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Internally generated goodwill is not recognised.

An intangible asset arising from development (or from the development phase of an internal project) is recognised as an asset when, it has met the recognition criteria of the standard. The Group chooses to recognise development costs relating to software development as an asset when the software is available for use in the business.

Finite life

The carrying amount of intangible assets are assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Item	Average useful life
Computer software	2 – 10 years
Trademarks, licences and patents	10 – 25 years
Insurance book	5 years

The amortisation period, the residual value and the amortisation method for intangible assets are reviewed every year-end.

2.9 **Financial instruments**

The Group has decided not to early adopt IFRS 9.

Initial recognition

The Group and the Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Group and the Company's statements of financial position when the group and the Company become parties to the contractual provisions of the instrument.

De-recognition

A financial liability is derecognised when and only when the liability is extinguished, that is when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and subsequently carried at amortised cost using the effective-interest method. The portion of these financial assets is disclosed as current assets unless they mature later than 12 months after financial year-end. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the affected loans and receivables' (e.g. trade receivable) carrying amount and the present value of the estimated future cash flows discounted at the original effective-interest rate applicable to the relevant loans and receivables. As soon as individual trade accounts receivable can no longer be collected in the normal way and are expected to result in a loss, they are designated as doubtful trade accounts receivable and valued at the expected collectible amounts. The net carrying amount will be reduced through the use of an allowance account and the loss recognised in profit or loss.

They are written off completely and the financial asset derecognised when they are deemed to be uncollectible because of bankruptcy or other forms of receivership of the debtors.

Other financial liabilities
These liabilities (including borrowings and trade and other payables) are recognised initially at fair value.

Subsequently, they are stated at amortised cost using the effective-interest rate method.

Effective interest method
The effective-interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating interest expense and income over the relevant period. The effective-interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective-interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets or liabilities, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.10 **Tax**

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Reclassification of normal tax to deferred tax
Owing to the ambiguity in the taxing of property sale transactions in the Namibian Income Tax Act, there are two different allowed alternatives available:

- the taxation of individuals on transfer date; and
- a blend of taxation for corporates which results in either the tax liability accruing in the year which the sale is made on transfer date (depending on the accounting treatment of the Company).

Given the ambiguity, Trustco felt it necessary to ensure that our tax treatment would be consistent in future periods and therefore claimed an allowance from the receiver to reduce current tax payable. As a result the deferred tax liability was raised in this regard to ensure that the financial statements continue to comply with IAS 12. The liability was moved from current tax liabilities to deferred tax and consequent from current to non-current liabilities.

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except where the transaction is recognised in other comprehensive income, or directly in equity and to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity; or
- a business combination.

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

2.11 **Leases**
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

Operating leases are all other leases which are not classified as finance leases.

Finance leases – lessee
Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

Operating leases – lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Any contingent rents are expensed in the period they are incurred.

2.12 **Employee benefits**
Short-term employee benefits
The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. There are no other employee benefits, expenses or obligations that are incurred apart from short-term ones.

2.13 **Revenue**
Property sales revenue
Revenue from the sale of property is recognised to separately identifiable components of a single transaction in order to reflect the substance of the transaction.

- The property sale contracts can be split between sale of land and servicing of land.
- Revenue from the servicing portion of the contract is recognised on the basis of stage of completion.
- Revenue from the sale of land portion of the contract is recognised when all the constituent criteria for the sale of goods have been met.

Advertising revenue
Advertising revenue is recognised when adverts are published.

Tuition fees
Tuition fees are recognised by the stage of completion of the service to be provided under each contract.

Interest received on financial assets (includes interest received on student advances)
Interest income on financial assets that are classified as loans and receivables are determined using the effective interest method. Calculation of the effective interest rate takes into account fees receivable that are an integral part of the instrument's yield, premiums or discounts on issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

Rental income
Rental income arising from operating leases is recognised on a straight-line basis over the lease terms on ongoing leases.

Dividends received
Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established.

2.14 **Insurance contracts**
Classification of contracts
An insurance contract is a contract under which the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Such contracts may also transfer financial risk. Trustco defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are significantly more than the benefits payable if the insured event did not occur.

Financial risk is the risk of a possible future change in the value of an asset or financial instrument due to a change in the interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other measurable variable.

The following typical types of contracts issued by the Group are classified as insurance contracts:

- policies which provide legal cover in event of litigation against or in favour of policyholders;
- policies providing lump sum benefits and costs recoveries for death;
- policies which provide salary cover;
- policies which provide medical insurance cover; and
- policies which provides all of the above cover.

Long-term insurance operations
All policyholder contracts that transfer significant insurance risk are classified as insurance contracts. These contracts are valued in terms of the Financial Soundness Valuation (FSV) basis contained in PGN 104 (a mandatory guidance note issued by the Actuarial Society of South Africa that gives guidance on IAS making specific reference to the South African environment).

The statutory actuary reviews the calculation of the liabilities under long-term insurance contracts and investment contracts annually at the statement of financial position date in accordance with prevailing legislation, Generally Accepted Actuarial Standards in South Africa and International Financial Reporting Standards as appropriate.

The transfers to or from insurance liabilities are accounted for in the statement of comprehensive income and represent the increase or decrease in contract liabilities, including all necessary provisions and reserves.

The liabilities for investment contracts are set equal to the accumulated fair value of the underlying assets plus a non-unit reserve calculated in accordance with PGN 104. Any deficiency is immediately charged to profit and loss and a provision is raised for losses from the liability adequacy tests.

Investment contracts are initially and thereafter recognised at fair value, with changes in fair value being accounted for in the statement of comprehensive income. The premiums, benefit payments and investment earnings relating to these investment contracts have been excluded from the statement of comprehensive income and accounted for directly as movements in the liability.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can however be reclassified as insurance contracts after inception, if insurance risk becomes significant although this generally does not occur with the current investment contracts being written.

Short-term insurance operations
Contracts under which the short-term insurance operations accept significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary, are classified as insurance contracts. Insurance risk is risk other than financial risk, transferred from the holder of the contract to the issuer.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable.

Insurance contracts may also transfer some financial risk.

Insurance results

Long-term insurance operations
Profits or losses are determined in accordance with the guidance note on Financial Soundness Valuations (PGN 104) and International Financial Reporting Standards. The underlying philosophy of the Financial Soundness Valuation is to recognise profits over the term of each insurance contract. In the valuation of liabilities, provision is made for:

- the best estimate of future experience;
- compulsory margins prescribed in PGN 104; and
- discretionary margins determined to release profits to shareholders consistent with policy design and company policy.

Short-term insurance operations
The underwriting results are determined after making provisions for unearned premiums, outstanding claims, incurred but not reported claims, unexpired risk provision and such additional provisions as are considered necessary. The methods used to determine these provisions are as follows:

Premiums
Premiums are earned from the date the risk attaches, over the indemnity period, based on the pattern of the risk underwritten. Unearned premiums, which represent the proportion of premiums written in the current year which relate to risks that have not expired by the end of the financial year, are calculated on the 365th basis for even risk business and other bases that best represent the unearned risk profile for uneven risk business.

Claims
Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. Claims outstanding comprise provisions for the estimate of the ultimate cost of settling all claims incurred but unpaid at the statement of financial position date whether reported or not, and an appropriate risk margin. Related anticipated reinsurance recoveries are disclosed separately as assets. These estimated reinsurance and other recoveries are assessed in a manner similar to the assessment of claims outstanding.

While the directors consider that the gross provisions for claims and the related reinsurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided.

Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made, and disclosed separately if material. The methods used to value these provisions, and the estimates made, are reviewed regularly.

Expenses for the acquisition of insurance contracts
Expenses for the acquisition of insurance contracts consists of commission and marketing management costs paid by the Group upon the acquisition of new and additional insurance business. These costs are expensed in full in the financial period during which the new policies are acquired.

Liability adequacy test
At each reporting date, liability adequacy tests are required to ensure the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of future premiums, claims, and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Since the insurance policy liabilities are calculated in terms of the Financial Soundness Valuation (FSV) basis as described in PGN104, which meets the minimum requirements of the liability adequacy test, it is not necessary to perform an additional liability adequacy test.

Incurred but not reported claims (Short-term business) (IBNR)
IBNR reflects the total amount owed by the insurer to all valid claimants who have a covered loss but not yet reported this to the insurer. Claims are calculated as a percentage of premiums earned. Different percentages are applied by class of business. IBNR is calculated as either one month's claims or 4/12ths of annual expected claims depending on the nature of the policy.

Policyholder liability under insurance contract (long-term business)
The liabilities under life insurance contracts are valued in terms of the Financial Soundness Valuation (FSV) basis containing a discounted cash flow valuation based on best estimates of future cash flows plus margins for adverse deviation as prescribed by SAP 104 issued by the Actuarial Society of South Africa and Namibian Longterm Insurance Act (1998). The operating surpluses or losses arising from life insurance contracts are determined by the annual valuation and are included in 'Insurance liabilities'. These surpluses or losses are arrived at after taking into account the movement within the policyholder liabilities.

Unearned premium reserve
Provision in respect of premiums written in the current year relating to future periods, is determined for all business on actual monies received in advanced. This is calculated by multiplying premium with the ratio of outstanding term to the original term of the policies in force.

Contingency reserve
The Group raises a contingency reserve of 10% of written premiums in accordance with Namibian generally accepted insurance industry practice. The contingency reserve is transferred directly from retained earnings to contingency reserves, and is reflected as a movement in the statement of changes in equity.

REVENUE RECOGNITION

Long-term insurance operations
Premiums and annuity considerations on insurance contracts are recognised when due in terms of the contract, other than Group schemes. Premiums receivable in respect of Group schemes that are due after the year-end date, are ignored. However where the operating ratios exceeds 100%, a deficiency reserve is established to offset any expected losses up until the next renewal date. Premium income on insurance contracts is shown gross of reinsurance. Premiums are shown before deduction of commission. Premium income received in advance is included in trade and other payables. Amounts received under investment contracts, such as premiums, are recorded as deposits to investment contract liabilities.

Short-term insurance operations
Gross written premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude value added tax. Premiums written include adjustments to premiums written in the prior accounting periods. The earned portion of the premium received is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten.

Solvency margin
The solvency margin is a measurement of the financial strength of a short-term insurer. It represents the shareholders' funds, expressed as a percentage of net premium income. This method of measurement is done in accordance with section 20 of the Short-term Insurance Act of 1998.

2.15 **Deemed treasury shares**

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "deemed treasury share" reserve). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

2.16 **Events after reporting date**

Recognised amounts in the annual financial statements are adjusted to reflect events arising after the reporting date that proved evidence of conditions that existed at the reporting date. Events after the reporting date that are indicative of conditions that arose after the reporting date are dealt with by way of a note. Business combinations that occurred after reporting date but before the annual financial statements were approved by the Board of Directors are disclosed in accordance with IFRS 3.

2.17 **Earnings per share**

The Group determines earnings per share and headline earnings per share as follows:

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the net profit attributable to ordinary shareholders. For the purpose of calculating earnings per share, treasury shares are deducted from the number of ordinary shares in issue.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect.

Headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 2/2013 issued by the South African Institute of Chartered Accountants (SAICA).

Diluted headline earnings per share

Diluted headline earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 2/2013 issued by the South African Institute of Chartered Accountants (SAICA).

PARTICULARS AND REPORT OF HISTORICAL FINANCIAL INFORMATION OF HUSO

The following information on the target of the acquisition is required in terms of the JSE Listings Requirements and this report on historical financial information is the responsibility of the directors of Trustco.

1. NAME, ADDRESS OF REGISTERED OFFICE AND DATE AND PLACE OF INCORPORATION

Huso Investments Proprietary Limited

Address: Trustco House, 2 Keller Street, Windhoek, Namibia

Namibia registration number 2006/443

Incorporated in WINDHOEK on 4 August 2005

2. DETAILS OF ITS MATERIAL LOANS

Refer to the consolidated financial statements of Huso and its subsidiaries following below for detail of material loans.

3. DETAILS OF ANY PRELIMINARY EXPENSES IT OCCURRED IN THREE YEARS PRIOR TO TRANSACTION

There were no preliminary expenses incurred by Huso or its subsidiaries during the preceding three years.

4. LITIGATION STATEMENT PERTAINING TO HUSO

The directors of Trustco are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving Huso, which may have, or have had, a material effect on Huso's financial position during the last 12 months preceding the date of this Circular.

5. MATERIAL CHANGES IN THE FINANCIAL OR TRADING POSITION SINCE END OF THE FINANCIAL PERIOD

There where no material changes in the financial or trading position in Huso or its subsidiaries since 31 March 2015.

6. LIST OF MATERIAL CONTRACTS ENTERED INTO BY HUSO

There have been no material contracts entered into, either verbally or in writing, by Huso or any of its subsidiaries, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on by the Huso Group; and:

6.1 entered into within the two years prior to the date of this Circular; or

6.2 entered into at any time and containing an obligation or settlement that is material to the Huso Group at the date of this Circular.

7. REPORT ON HISTORICAL FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The report on historical financial information on Huso and its subsidiary is incorporated into this Circular in paragraph 31.9 by way of reference as provided for in paragraph 11.61 of the Listings Requirements. The financial information in this report was extracted from the consolidated audited financial statements of Huso for the year ended 31 March 2015 and was reported on by the auditors without qualification.

REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF HUSO

"The Directors
Trustco Group Holdings Limited
2 Keller Street
Windhoek
Namibia

7 September 2015

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF HUSO INVESTMENTS PROPRIETARY LIMITED

INTRODUCTION

Trustco Group Holdings Limited ("Trustco") is issuing a circular to its shareholders to be dated on or about 9 September 2015 ("the Circular") regarding the proposed acquisition of Huso Investments Proprietary Limited ("Huso").

At your request and for the purposes of the Circular, we have audited the consolidated financial information of Huso which comprises the statement of financial position of Huso as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended as well as the accounting policies and other explanatory notes for this period (together, "the Historical Financial Information") for the purposes of complying with the JSE Limited ("JSE") Listings Requirements and for inclusion in the Circular incorporating revised listing particulars. BDO Namibia is the independent auditors to Huso.

RESPONSIBILITY

Directors' responsibility

The directors of Trustco are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The directors of Huso are responsible for the preparation of the Historical Financial Information and fair presentation in accordance with International Financial Reporting Standards and in the manner required by the JSE listings Requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of Historical Financial Information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the consolidated financial information of Huso for the year ended 31 March 2015 based on our audit procedures respectively. The report on the consolidated financial information of Huso is incorporated into this Circular in paragraph 31.9 by way of reference as provided for in paragraph 11.61 of the JSE Listings Requirements.

HISTORICAL FINANCIAL INFORMATION

Scope of audit

We conducted our audit of the financial information for the year ending 31 March 2015 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the abovementioned Historical Financial Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. As part of our procedures we followed the statement of *International Standard on Auditing 600 on using the work of another Auditor.*

Audit opinion on historical financial information for the year ended 31 March 2015

In our opinion, the financial information of Huso included by reference in paragraph 31.9 to the Circular, presents fairly, in all material respects, for the purposes of the Circular, the consolidated financial position of Huso at 31 March 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the JSE Listings Requirements.

CONSENT

We consent to the inclusion of this report, which will form part of the Circular.

Yours faithfully

BDO South Africa Incorporated
Per: Heemal Bhaga Muljee
Director
Registered Auditor

22 Wellington Road
Parktown
2193"

PARTICULARS AND REPORT OF HISTORICAL FINANCIAL INFORMATION OF NNDC

The following information on the target of the acquisition is required in terms of the JSE Listings Requirements and this report on historical financial information is the responsibility of the directors of Trustco.

1. **NAME, ADDRESS OF REGISTERED OFFICE AND DATE AND PLACE OF INCORPORATION**

   Northern Namibia Development Company (Proprietary) Limited. Address: Trustco House, 2 Keller Street, Windhoek, Namibia. Namibia registration number 99/055. Incorporated in Windhoek on 20 August 1990.

2. **DETAILS OF ITS MATERIAL LOANS**

   Refer to the financial statements of NNDC following below for detail of material loans.

3. **DETAILS OF ANY PRELIMINARY EXPENSES IT OCCURRED IN THREE YEARS PRIOR TO TRANSACTION**

   There were no preliminary expenses incurred by NNDC during the preceding three years.

4. **LITIGATION STATEMENT PERTAINING TO NNDC**

   Other than the disclosure below, the directors of Trustco are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving NNDC, which may have, or have had, a material effect on NNDC's financial position during the last 12 months preceding the date of this Circular:

   "NNDC and Otjipupa Investment Group (Pty) Ltd ("Otjipupa") mediation: For transparency purposes NNDC disclose the following High Court supervised mediation, even though it is not material for the purpose of this Circular. NNDC was granted an exclusive prospecting licence (EPL) on 19 October 1999. NNDC applied to the Minister of Mines & Energy for a mining licence, for which the final decision is pending. The Ministry of Environment and Tourism awarded a tourism concession, generally referred to as "the Skeleton Coast Park Concession" to Otjipupa on 15 July 2010. The Otjipupa Concession and NNDC Exclusive Prospecting Licence (EPL12/2/1/4/2633) partly overlap within the same geographical area. Otjipupa focus on tourism in the Skeleton Coast Park, whilst NNDC are in the process of established a full-scale mining and exploration operation within the EPL licence area, which includes; a mining fleet, diamond processing plant as well as an administrative and logistical infrastructure. The whole operation is duly regulated by the Ministry of Mines and Energy, and due consideration to the Kimberley Process Certification Scheme. At the moment Otjipupa is of the opinion that they are restrained in their ultimate use and enjoyment of their Concession. The aim of the mediation process, which is being facilitated by the Registrar of the High Court Namibia, is to reach an amicable agreement between parties thereby furthering and clarifying all parties rights and responsibilities. In principle NNDC is not apposed to the establishment of tourism activities in the joint area, on condition that the mining regulations and Kimberley Process Certification Scheme are not compromised. The consideration of the mining licence will proceed once this mediation process is finalised, whether by court order or mediation."

5. **MATERIAL CHANGES IN THE FINANCIAL OR TRADING POSITION SINCE END OF THE FINANCIAL PERIOD**

   There where no material changes in the financial or trading position in NNDC since 31 March 2015.

6. **LIST OF MATERIAL CONTRACTS ENTERED INTO BY NNDC**

   There have been no material contracts entered into, either verbally or in writing, by NNDC, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on by NNDC; and:

   6.1 entered into within the two years prior to the date of this Circular; or

   6.2 entered into at any time and containing an obligation or settlement that is material to the NNDC at the date of this Circular.

7. **REPORT ON HISTORICAL FINANCIAL INFORMATION INCORPORATED BY REFERENCE**

   The report on historical financial information on NNDC is incorporated into this Circular in paragraph 31.8 by way of reference as provided for in paragraph 11.61 of the Listings Requirements. The financial information in this report was extracted from the consolidated audited financial statements of NNDC for the year ended 31 March 2015 and the reviewed financial statements for the financial years ended 31 March 2013 and 31 March 2014 and was reported on by the auditors without qualification.

REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF NNDC

"The Directors
Trustco Group Holdings Limited
2 Keller Street
Windhoek
Namibia

7 September 2015

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF NORTHERN NAMIBIA DEVELOPMENT COMPANY PROPRIETARY LIMITED

INTRODUCTION

Trustco Group Holdings Limited ("Trustco") is issuing a circular to its shareholders to be dated on or about 9 September 2015 ("the Circular") regarding the proposed acquisition of Huso Investments Proprietary Limited ("Huso").

At your request and for the purposes of the Circular, we have:

- reviewed the financial information of NNDC which comprises the statements of financial position of NNDC as at 31 March 2013 and 31 March 2014, the statements of comprehensive income, statements of changes in equity and cash flows for the periods then ended as well as the accounting policies and other explanatory notes for these periods;
- audited the financial information of NNDC which comprises the statement of financial position of NNDC as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended as well as the accounting policies and other explanatory notes for this period;

(together, "the Historical Financial Information").

for the purposes of complying with the JSE Limited ("JSE") Listings Requirements and for inclusion in the Circular incorporating revised listing particulars. BDO Namibia is the independent auditors to NNDC.

RESPONSIBILITY

Directors' responsibility

The directors of Trustco are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The directors of NNDC are responsible for the preparation of the Historical Financial Information and fair presentation in accordance with International Financial Reporting Standards and in the manner required by the JSE listings Requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of Historical Financial Information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express a review opinion on the financial information for the years ended 31 March 2013 and 31 March 2014 and to express an audit opinion for the year ended 31 March 2015 based on our review and audit procedures respectively. The report on the financial information of NNDC is incorporated into this Circular in paragraph 31.8 by way of reference as provided for in paragraph 11.61 of the JSE Listings Requirements.

HISTORICAL FINANCIAL INFORMATION

Introduction

We have reviewed the financial information for the years ended 31 March 2013 and 31 March 2014 and audited the financial information for the year ended 31 March 2015 comprising the Historical Financial Information included by reference in paragraph 31.8 to this Circular and prepared in accordance with International Financial Reporting Standards.

Scope of the review

We conducted our review of the financial information for the years ended 31 March 2013 and 31 March 2014 in accordance with the *International Standard on Review Engagements 2400.*

This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information for the years ended 31 March 2013 and 31 March 2014 are free of material misstatement. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit of the abovementioned financial information and, accordingly, we do not express an audit opinion thereon.

Review conclusion for the years ended 31 March 2013 and 31 March 2014

Based on our review, nothing has come to our attention that causes us to believe that the Historical Financial Information of NNDC for the years ended 31 March 2013 and 31 March 2014 included by reference in paragraph 31.8 to the Circular is not fairly presented, in all material respects, in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Scope of audit

We conducted our audit of the financial information for the year ending 31 March 2015 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the abovementioned Historical Financial Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. As part of our procedures we followed the statement of *International Standard on Auditing 600 on using the work of another Auditor.*

Audit opinion on historical financial information for the year ended 31 March 2015

In our opinion, the financial information of NNDC included by reference in paragraph 31.8 to the Circular, presents fairly, in all material respects, for the purposes of the Circular, the financial position of NNDC at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the JSE Listings Requirements.

CONSENT

We consent to the inclusion of this report, which will form part of the Circular.

Yours faithfully

BDO South Africa Incorporated
Per: Heemal Bhaga Muljee
Director
Registered Auditor

22 Wellington Road
Parktown
2193"

PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE ACQUISITION

The *pro forma* financial information is the responsibility of the Company's directors and is presented for illustrative purposes only to show how the Acquisition would have affected Trustco's consolidated financial performance and position after the Acquisition. The accounting policies as set out in Annexure 4 that will be adopted by Trustco have been used in calculating the *pro forma* financial information.

The unaudited *pro forma* financial information which, due to its nature, may not provide a fair reflection of Trustco's financial performance or position after the Acquisition, is based on the assumptions that:

- for the purpose of statement of comprehensive income, the Acquisition was implemented from 1 April 2014; and
- for the purpose of statement of financial position, the Transaction was implemented on 31 March 2015.

The *pro forma* financial information is prepared in terms of the Listings Requirements of the JSE and guidelines issued by the South African Institute of Chartered Accountants.

The unaudited *pro forma* statement of financial position and statement of comprehensive income as set out below should be read in conjunction with the report of the Independent Reporting Accountants which is included as Annexure 10 to this Circular.

1. *PRO FORMA* FINANCIAL EFFECTS SUMMARY TABLE

The *pro forma* financial effects summary table here below is based on the detailed assumptions as set out below the *pro forma* statement of comprehensive income and the *pro forma* statement of financial position reflected here below in paragraphs 2 and 3, respectively.

PRO FORMA FINANCIAL EFFECTS SUMMARY TABLE

	Pubished financial information – 31 March 2015	*Pro forma* financial information after purchase of Huso and Morse	*Pro forma* N$50 million EBITDAASA target met	*Pro Forma* N$110 million EBITDAASA target met	*Pro Forma* N$121 million EBITDAASA target met	*Pro Forma* N$133.1 million EBITDAASA target met	*Pro Forma* N$146.4 million EBITDAASA target met	*Pro Forma* N$161.1 million EBITDAASA target met	*Pro Forma* N$177.2 million EBITDAASA target met	*Pro Forma* N$194.9 million EBITDAASA target met	*Pro Forma* N$214.4 million EBITDAASA target met	*Pro Forma* additional 1.5 million carats target met
EPS (cents)	43,59	34,93	40,19	51,52	63,59	76,41	90,00	104,35	119,47	135,34	151,95	106,10
Diluted EPS (cents)	43,29	34,74	39,98	51,24	63,25	76,02	89,54	103,84	118,89	134,70	151,25	105,76
HEPS (cents)	39,64	31,86	37,15	48,53	60,64	73,52	87,16	101,58	116,75	132,69	149,36	104,29
Diluted HEPS (cents)	39,36	31,69	36,95	48,27	60,32	73,14	86,72	101,08	116,19	132,07	148,68	103,96
NAV per share (cents)	218,21	201,70	205,73	214,38	223,61	233,43	243,83	254,84	266,42	278,60	291,35	204,28
TNAV per share (cents)	169,79	163.39	167.68	176.91	186.74	197.21	208.30	220.03	232.38	245.36	258.96	181.57
Ordinary shares in issue	772 142 090	915 442 090	921 842 090	935 942 090	951 442 090	968 442 090	987 142 090	1 007 742 090	1 030 442 090	1 055 342 090	1 082 742 090	1 544 242 090
Ordinary shares in issue (excl. treasury shares)	710 408 090	915 442 090	921 842 090	935 942 090	951 442 090	968 442 090	987 142 090	1 007 742 090	1 030 442 090	1 055 342 090	1 082 742 090	1 544 242 090
Weighted average number of ordinary shares in issue (excl. treasury shares)	695 582 000	900 616 000	907 016 000	921 116 000	936 616 000	953 616 000	972 316 000	992 916 000	1 015 616 000	1 040 516 000	1 067 916 000	1 529 416 00
Diluted weighted average number of ordinary shares in issue (excl. treasury shares)	700 504 000	905 538 000	911 938 000	926 038 000	941 538 000	958 538 000	977 238 000	997 838 000	1 020 538 000	1 045 438 000	1 072 838 000	1 534 338 000

2. *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME

The *pro forma* statement of comprehensive income has been prepared based on the detailed assumptions as set out below the table here below.

Note	1	2	3	4	5	6	7	8i	8ii	8iii	8iv	8v	8vi	8vii	8viii	8ix	8x
	Before – 12 months ended 31 March 2015	**Treasury share adjustment**	**After treasury share adjustment**	**Huso – 12 months ended 31 March 2015**	**Morse – 12 months ended 31 March 2015**	**Acquisition adjustments**	**After purchase of Huso and Morse**	**N$ 50 million EBITDAASA target met**	**N$110 million EBITDAASA target met**	**N$121 million EBITDAASA target met**	**N$133.1 million EBITDAASA target met**	**N$146.4 million EBITDAASA target met**	**N$161.1 million EBITDAASA target met**	**N$177.2 million EBITDAASA target met**	**N$194.9 million EBITDAASA target met**	**N$214.4 million EBITDAASA target met**	**Additional resource target met**
	Actual	**Actual**		**Actual**	**Actual**	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***
	NAD'000	**NAD'000**		**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**
Insurance premium revenue	180 863		180 863	–	–	–	180 863	180 863	180 863	180 863	180 863	180 863	180 863	180 863	180 863	180 863	180 863
Revenue	836 210		836 210	–	53	–	836 263	836 263	836 263	836 263	836 263	836 263	836 263	836 263	836 263	836 263	836 263
Total revenue	**1 017 073**		**1 017 073**	**–**	**53**	**–**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**	**1 017 126**
Cost of sales	(204 614)		(204 614)	–	–	–	(204 614)	(204 614)	(204 614)	(204 614)	(204 614)	(204 614)	(204 614)	(204 614)	(204 614)	(204 614)	(204 614)
Gross profit	**812 459**		**812 459**	**–**	**53**	**–**	**812 512**	**812 512**	**812 512**	**812 512**	**812 512**	**812 512**	**812 512**	**812 512**	**812 512**	**812 512**	**812 512**
Investment income	136 127		136 127	–	–	–	136 127	136 127	136 127	136 127	136 127	136 127	136 127	136 127	136 127	136 127	136 127
Fair value gains and losses	–			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other income	–			–	75	–	75	75	75	75	75	75	75	75	75	75	75
Insurance benefits and claims	(42 616)		(42 616)	–	–	–	(42 616)	(42 616)	(42 616)	(42 616)	(42 616)	(42 616)	(42 616)	(42 616)	(42 616)	(42 616)	(42 616)
Transfer to policyholder liabilities	–			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Huso EBITDAASA target								50 000	160 000	281 000	414 100	560 500	721 600	898 800	1 093 700	1 308 100	1 308 100
Change in unearned premium provision	–			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operating expenses	(404 079)		(404 079)	–	(4 347)	(3 654)	(412 081)	(412 081)	(412 081)	(412 081)	(412 081)	(412 081)	(412 081)	(412 081)	(412 081)	(412 081)	(412 081)
Finance costs	(105 496)	24 753	(80 743)	–	–		(80 743)	(80 743)	(80 743)	(80 743)	(80 743)	(80 743)	(80 743)	(80 743)	(80 743)	(80 743)	(80 743)
Profit before taxation	**396 395**	**24 753**	**421 148**	**–**	**(4 219)**	**(3 654)**	**413 275**	**463 275**	**573 275**	**694 275**	**827 375**	**973 775**	**1 134 875**	**1 312 075**	**1 506 975**	**1 721 375**	**1 721 375**
Taxation	(93 157)	(8 169)	(101 326)	–	1 392	1 206	(98 727)	(98 727)	(98 727)	(98 727)	(98 727)	(98 727)	(98 727)	(98 727)	(98 727)	(98 727)	(98 727)
Profit for the period	**303 238**	**16 585**	**319 823**	**–**	**(2 827)**	**(2 448)**	**314 548**	**364 548**	**474 548**	**595 548**	**728 648**	**875 048**	**1 036 148**	**1 213 348**	**1 408 248**	**1 622 648**	**1 622 648**

Note	1	2	3	4	5	6	7	8i	8ii	8iii	8iv	8v	8vi	8vii	8viii	8ix	8x
	Before – 12 months ended 31 March 2015	**Treasury share adjustment**	**After treasury share adjustment**	**Huso – 12 months ended 31 March 2015**	**Morse – 12 months ended 31 March 2015**	**Acquisition adjustments**	**After purchase of Huso and Morse**	**N$ 50 million EBITDAASA target met**	**N$110 million EBITDAASA target met**	**N$121 million EBITDAASA target met**	**N$133.1 million EBITDAASA target met**	**N$146.4 million EBITDAASA target met**	**N$161.1 million EBITDAASA target met**	**N$177.2 million EBITDAASA target met**	**N$194.9 million EBITDAASA target met**	**N$214.4 million EBITDAASA target met**	**Additional resource target met**
	Actual	**Actual**		**Actual**	**Actual**	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***
	NAD'000	**NAD'000**		**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**
Other comprehensive income, net of tax	**18 540**		**18 540**	**–**	**–**	**–**	**18 540**	**18 540**	**18 540**	**18 540**	**18 540**	**18 540**	**18 540**	**18 540**	**18 540**	**18 540**	**18 540**
Items that will not be subsequently reclassified to profit or loss																	
– Revaluation of property, plant and equipment	22 401		22 401	–	–	–	22 401	22 401	22 401	22 401	22 401	22 401	22 401	22 401	22 401	22 401	22 401
Items that may be subsequently reclassified to profit or loss																	
– Foreign currency translation adjustment	(3 861)		(3 861)	–	–	–	(3 861)	(3 861)	(3 861)	(3 861)	(3 861)	(3 861)	(3 861)	(3 861)	(3 861)	(3 861)	(3 861)
Total comprehensive income for the period	**321 778**	**16 585**	**338 363**	**–**	**(2 827)**	**(2 448)**	**333 088**	**383 088**	**493 088**	**614 088**	**747 188**	**893 588**	**1 054 688**	**1 231 888**	**1 426 788**	**1 641 188**	**1 641 188**
Reconciliation of headline earnings																	
Profit for the period	**303 238**	**16 585**	**319 823**	**–**	**(2 827)**	**(2 448)**	**314 548**	**364 548**	**474 548**	**595 548**	**728 648**	**875 048**	**1 036 148**	**1 213 348**	**1 408 248**	**1 622 648**	**1 622 648**
Adjustments net of taxation	**(27 494)**		**(27 494)**	**–**	**(75)**	**–**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**	**(27 569)**
Loss / (profit) on disposal of property, plant and equipment	2 098		2 098	–	(75)	–	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023
Fair value adjustments on investment properties	400		400	–	–	–	400	400	400	400	400	400	400	400	400	400	400
Gain on bargain purchase	(29 244)		(29 244)	–	–	–	(29 244)	(29 244)	(29 244)	(29 244)	(29 244)	(29 244)	(29 244)	(29 244)	(29 244)	(29 244)	(29 244)
Profit on disposal of investment property	–		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Tax effect	(748)		(748)	–	–	–	(748)	(748)	(748)	(748)	(748)	(748)	(748)	(748)	(748)	(748)	(748)
Headline earnings	**275 744**	**16 585**	**292 329**	**–**	**(2 902)**	**(2 448)**	**286 978**	**336 978**	**446 978**	**567 978**	**701 078**	**847 478**	**1 008 578**	**1 185 778**	**1 380 678**	**1 595 078**	**1 595 078**

Note	1	2	3	4	5	6	7	8i	8ii	8iii	8iv	8v	8vi	8vii	8viii	8ix	8x
	Before – 12 months ended 31 March 2015	**Treasury share adjustment**	**After treasury share adjustment**	**Huso – 12 months ended 31 March 2015**	**Morse – 12 months ended 31 March 2015**	**Acquisition adjustments**	**After purchase of Huso and Morse**	**N$ 50 million EBITDAASA target met**	**N$110 million EBITDAASA target met**	**N$121 million EBITDAASA target met**	**N$133.1 million EBITDAASA target met**	**N$146.4 million EBITDAASA target met**	**N$161.1 million EBITDAASA target met**	**N$177.2 million EBITDAASA target met**	**N$194.9 million EBITDAASA target met**	**N$214.4 million EBITDAASA target met**	**Additional resource target met**
	Actual	**Actual**		**Actual**	**Actual**	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***
	NAD'000	**NAD'000**		**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**
Basic earnings per share (cents)	43.59		42.23				34.93	40.19	51.52	63.59	76.41	90.00	104.35	119.47	135.34	151.95	106.10
Diluted earnings per share (cents)	43.29		41.96				34.74	39.98	51.24	63.25	76.02	89.54	103.84	118.89	134.70	151.25	105.76
Headline earnings per share (cents)	39.64		38.60				31.86	37.15	48.53	60.64	73.52	87.16	101.58	116.75	132.69	149.36	104.29
Diluted headline earnings per share (cents)	39.36		38.35				31.69	36.95	48.27	60.32	73.14	86.72	101.08	116.19	132.07	148.68	103.96
Weighted number of ordinary shares in issue	695 582 000	61 734 000	757 316 000			143 300 000	900 616 000	907 016 000	921 116 000	936 616 000	953 616 000	972 316 000	992 916 000	1 015 616 000	1 040 516 000	1 067 916 000	1 529 416 000
Weighted number of ordinary shares for diluted earnings per share	700 504 000	61 734 000	762 238 000			143 300 000	905 538 000	911 938 000	926 038 000	941 538 000	958 538 000	977 238 000	997 838 000	1 020 538 000	1 045 438 000	1 072 838 000	1 534 338 000

Notes and assumptions:

1. The "Before" column has been extracted, without adjustment, from Trustco's published audited consolidated annual financial statement for the year ended 31 March 2015. Extracts are included in Annexure 3 of the Circular.
2. Trustco disposed of 61 734 000 treasury shares for an aggregate amount of N$235 746 000. Assuming that the proceeds were used to reduce existing Trustco debt then the before and after taxation interest saving would have amounted to N$24.753 million and N$16.585 million, respectively, which is based on 10.5%, being the current borrowing cost of Trustco. The taxation effect was calculated at the latest published Namibian corporate tax rate of 33%. This will not have a continuing effect on the results.
3. The "After treasury share adjustment" column illustrates the effect of the disposal of the treasury shares and the saving in interest on Trustco's results.
4. The audited consolidated financial results of Huso and its subsidiary NNDC as extracted from the Huso consolidated report on historical financial information included by way of incorporation by reference in paragraph 31.9 of the Circular. There was no movement affecting the statement of comprehensive income for the year ended 31 March 2015.
5. The audited consolidated financial results of Morse as extracted from the Morse audited financial statements for the year ended 31 March 2015 which information has been included by way of incorporation by reference in paragraph 31.7 of the Circular. Morse was dormant and only traded for the last nine months of its financial year.
6. 143 300 000 Trustco shares are issued as purchase consideration as set out in more detail in paragraph 5 of the Circular. This will have a continuing effect on the financial results. Transaction costs incurred in respect of the Acquisition were recognised. The taxation effect was calculated at the latest published Namibian corporate tax rate of 33%. This adjustment will not have a continuing effect.
7. The "After acquisition of Huso and Morse" column illustrates the effect of the Acquisition after the adjustments on the published audited financial results of Trustco for the year ended 31 March 2015.
8. Based on subsequent payments per note 5.1.2 of the Circular. This assumes that the contingent conditions are met. Should none of the specific performance and resource based conditions be met, no shares will be issuable. It is assumed that EBITDAASA would be generated without any further CAPEX requirements, therefore no additional depreciation, amortisation or finance costs are taken into account. It is assumed that the tax effect of the EBITDAASA adjustments would be nil due to the fact that Morse is in the process of applying for an EPZ tax status in Namibia, and it is assumed that this application would be successful. An EPZ enterprise does not pay income tax in Namibia.
   i . The N$50 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   ii. The N$110 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   iii. The N$121 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   iv. The N$133.1 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   v. The N$146.4 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   vi. The N$161.1 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   vii. The N$177.2 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   viii. The N$194.9 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   ix. The N$214.4 million EBITDAASA target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent periods are ignored for the purpose of the *pro forma* statements. EBITDAASA targets are cumulative.
   x. The 1.5 million carats of additional resource target of Huso is met and the shares as per purchase agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent years are ignored for the purpose of the *pro forma* statements. Based on the contingent consideration, assuming that all the EBITDAASA targets as per note 5.1.2.1.1 are met, and that the Mineral Resource target per note 5.1.2.2.1 is met.
9. For the above scenarios 8i to 8x – based on the contingent consideration, assuming that the EBITDAASA targets as per note 5.1.2.1.1 are met.

3. *PRO FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The *pro forma* statement of financial position has been prepared based on the assumptions as set out below:

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	1	2	3	4	5	6		7	v	vi	vii	viii	ix	x	xi	xii	xiii	ivx
	Before – 12 months ended 31 March 2015	**Treasury share adjustments**	**After treasury share adjustment**	**Huso – 12 months ended 31 March 2015**	**Morse – 12 months ended 31 March 2015**	**Acquisition adjustments**	***Note***	**After purchase of Huso and Morse**	**NAD50 million EBITDAASA target met**	**NAD110 million EBITDAASA target met**	**NAD121 million EBITDAASA target met**	**NAD133.1 million EBITDAASA target met**	**NAD146.4 million EBITDAASA target met**	**NAD161.1 million EBITDAASA target met**	**NAD177.2 million EBITDAASA target met**	**NAD194.9 million EBITDAASA target met**	**NAD214.4 million EBITDAASA target met**	**Additional resource target met**
	Actual	***Pro forma***	***Pro forma***	**Actual**	**Actual**	***Pro forma***		***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***
	NAD'000	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**		**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**
ASSETS																		
Cash and cash equivalents	118 700	235 746	354 446	8	5	(3 654)	*ii*	350 805	400 805	510 805	631 805	764 905	911 305	1 072 405	1 249 605	1 444 505	1 658 905	1 658 905
Advances	806 965	–	806 965	–	–	–		806 965	806 965	806 965	806 965	806 965	806 965	806 965	806 965	806 965	806 965	806 965
Trade and other receivables	574 390	–	574 390	2 201	49	–		576 640	576 640	576 640	576 640	576 640	576 640	576 640	576 640	576 640	576 640	576 640
Current tax assets	12 982	–	12 982	–	–	–		12 982	12 982	12 982	12 982	12 982	12 982	12 982	12 982	12 982	12 982	12 982
Inventories	323 917	–	323 917	–	–	–		323 917	323 917	323 917	323 917	323 917	323 917	323 917	323 917	323 917	323 917	323 917
Property, plant and equipment	269 329	–	269 329	8 236	2 389	–		279 954	279 954	279 954	279 954	279 954	279 954	279 954	279 954	279 954	279 954	279 954
Investment property	708 835	–	708 835	–	–	–		708 835	708 835	708 835	708 835	708 835	708 835	708 835	708 835	708 835	708 835	708 835
Intangible assets	197 623	–	197 623	–	5 382	–		203 005	203 005	203 005	203 005	203 005	203 005	203 005	203 005	203 005	203 005	203 005
Deferred tax assets	146 359	–	146 359	–	1 392	–		147 751	147 751	147 751	147 751	147 751	147 751	147 751	147 751	147 751	147 751	147 751
Mining asset (at capitalised cost)	–	–	–	59 191	–	–		59 191	59 191	59 191	59 191	59 191	59 191	59 191	59 191	59 191	59 191	59 191
Total assets	**3 159 100**	**235 746**	**3 394 846**	**69 636**	**9 218**	**(3 654)**		**3 470 046**	**3 520 046**	**3 630 046**	**3 751 046**	**3 884 146**	**4 030 546**	**4 191 646**	**4 368 846**	**4 563 746**	**4 778 146**	**4 778 146**
EQUITY AND LIABILITIES																		
LIABILITIES																		
Overdraft	15 020	–	15 020	938	74	–		16 032	16 032	16 032	16 032	16 032	16 032	16 032	16 032	16 032	16 032	16 032
Borrowings	1 045 641	–	1 045 641	–	–	–		1 045 641	1 045 641	1 045 641	1 045 641	1 045 641	1 045 641	1 045 641	1 045 641	1 045 641	1 045 641	1 045 641
Trade and other payables	78 891	–	78 891	2 748	234	–		81 873	81 873	81 873	81 873	81 873	81 873	81 873	81 873	81 873	81 873	81 873
Current tax liabilities	7 945	–	7 945	–	–	(1 206)	*ii*	7 945	7 945	7 945	7 945	7 945	7 945	7 945	7 945	7 945	7 945	7 945
Technical provision	18 880	–	18 880	–	–	–		17 674	17 674	17 674	17 674	17 674	17 674	17 674	17 674	17 674	17 674	17 674
Amounts due to related parties	527	–	527	–	11 736	–		12 263	12 263	12 263	12 263	12 263	12 263	12 263	12 263	12 263	12 263	12 263
Policyholders liability under insurance contracts	44 839	–	44 839	–	–	–		44 839	44 839	44 839	44 839	44 839	44 839	44 839	44 839	44 839	44 839	44 839
Other liabilities	92 750	–	92 750	–	–	–		92 750	92 750	92 750	92 750	92 750	92 750	92 750	92 750	92 750	92 750	92 750
Deferred tax liabilities	304 441	–	304 441	96	–	–		304 537	304 537	304 537	304 537	304 537	304 537	304 537	304 537	304 537	304 537	304 537
	1 608 934	**–**	**1 608 934**	**3 782**	**12 045**	**(1 206)**		**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**	**1 623 555**

Note	1	2	3	4	5	6		7	v	vi	vii	viii	ix	x	xi	xii	xiii	ivx
	Before – 12 months ended 31 March 2015	**Treasury share adjustments**	**After treasury share adjustment**	**Huso – 12 months ended 31 March 2015**	**Morse – 12 months ended 31 March 2015**	**Acquisition adjustments**	***Note***	**After purchase of Huso and Morse**	**NAD50 million EBITDAASA target met**	**NAD110 million EBITDAASA target met**	**NAD121 million EBITDAASA target met**	**NAD133.1 million EBITDAASA target met**	**NAD146.4 million EBITDAASA target met**	**NAD161.1 million EBITDAASA target met**	**NAD177.2 million EBITDAASA target met**	**NAD194.9 million EBITDAASA target met**	**NAD214.4 million EBITDAASA target met**	**Additional resource target met**
	Actual	***Pro forma***	***Pro forma***	**Actual**	**Actual**	***Pro forma***		***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***	***Pro forma***
	NAD'000	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**		**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**	**NAD'000**
Capital and reserves																		
Share capital	177 595	–	177 595	–	–	–		210 554	222 054	247 354	275 184	305 797	339 469	376 522	417 278	462 105	511 417	316 699
			–	–	–	32 959	*iii*											
Share premium	46 300	–	46 300	–	–	–		685 341	723 841	808 541	901 711	1 004 198	1 116 926	1 240 973	1 377 417	1 527 490	1 692 578	1 040 696
			–		–	639 041	*iii*											
Deemed treasury shares	(57 043)	57 043	–	–	–	–		–										
Shares for vendors	14 976	–	14 976	–	–	1 142 210	*iv*	1 157 186	1 107 186	997 186	876 186	743 086	596 686	435 586	258 386	63 486	–	–
Contingency reserve	2 250	–	2 250	–	–	–		2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250
Revaluation reserves	52 083	–	52 083	–	–	–		52 083	52 083	52 083	52 083	52 083	52 083	52 083	52 083	52 083	52 083	52 083
Foreign currency translation reserve	(5 936)	–	(5 936)	–	–	–		(5 936)	(5 936)	(5 936)	(5 936)	(5 936)	(5 936)	(5 936)	(5 936)	(5 936)	(5 936)	(5 936)
Distributable reserves	1 319 941	178 703	1 498 644	(203 975)	(2 827)	206 802	*i*	1 496 196	1 546 196	1 656 196	1 777 196	1 910 296	2 056 696	2 217 796	2 394 996	2 589 896	2 804 296	2 804 296
	–	–	–	–	–	(2 448)	*ii*											
Common control reserve	–	–	–	–	–	(206 802)	*i*	(2 021 012)	(2 021 012)	(2 021 012)	(2 021 012)	(2 021 012)	(2 021 012)	(2 021 012)	(2 021 012)	(2 021 012)	(2 021 012)	(1 325 326)
	–	–	–	–	–	(672 000)	*iii*											
	–	–	–	–	–	(1 142 210)	*iv*											
Loan from shareholder	–	–	–	269 829	–	–		269 829	269 829	269 829	269 829	269 829	269 829	269 829	269 829	269 829	269 829	269 829
Attributable to equity holders of the parent	**1 550 166**	**235 746**	**1 785 912**	**65 854**	**(2 827)**	**(2 449)**	**–**	**1 846 491**	**1 896 491**	**2 006 491**	**2 127 491**	**2 260 591**	**2 406 991**	**2 568 091**	**2 745 291**	**2 940 191**	**3 154 591**	**3 154 591**
Total equity and liabilities	**3 159 100**	**235 746**	**3 394 846**	**69 636**	**9 218**	**(3 654)**	**–**	**3 470 046**	**3 520 046**	**3 630 046**	**3 751 046**	**3 884 146**	**4 030 546**	**4 191 646**	**4 368 846**	**4 563 746**	**4 778 146**	**4 778 146**
Net asset value per share (cents)	218.21		231.29					201.70	205.73	214.38	223.61	233.43	243.83	254.84	266.42	278.60	291.35	204.28
Tangible net asset value per share (cents)	169.79		186.74					163.39	167.68	176.91	186.74	197.21	208.30	220.03	232.38	245.36	258.96	181.57
Number of share in issue	772 142 090					143 300 000	*iii*											
Deemed treasury shares	61 734 000			–														
Number of shares (excluding treasury shares)	710 408 090	61 734 000	772 142 090			143 300 000		915 442 090	921 842 090	935 942 090	951 442 090	968 442 090	987 142 090	1 007 742 090	1 030 442 090	1 055 342 090	1 082 742 090	1 544 242 090

Notes and assumptions:

1. The “Before” column has been extracted, without adjustment, from Trustco’s consolidated published annual financial statements for the as at 31 March 2015.
2. 61 734 000 Trustco treasury shares with an aggregate cost price of N$57.043 million were disposed of post 31 March 2015 in the open market for an aggregate consideration of N$235 746 million. The treasury shares were sold for cash in the open market at the respective ruling prices at the respective dates of sale. The profit on disposal amounted to N$178 703 million.
3. The “After treasury share adjustment” column illustrates the effect of the disposal of the above mentioned Trustco treasury shares after the adjustments on the published consolidated financial position of Trustco as at 31 March 2015.
4. The audited consolidated statement of financial position of Huso and its subsidiaries at 31 March 2015.
5. The audited consolidated statement of financial position of Morse as at 31 March 2015.
6. The acquisition of Huso falls outside the scope of IFRS 3 due to the fact that the business combination falls under the definition of common control per IFRS 3 B.1, due to the fact that Mr Quinton van Rooyen has control over both Trustco and Huso. The directors have the option to adopt whichever accounting policy, in their opinion, is deemed to be the most appropriate. The directors have decided not to adopt IFRS 3 and therefore the excess of the purchase price over the net asset value of Huso was taken to a common control reserve.

   The following adjustments are made so as to illustrate the effect of the Acquisition:

   i Elimination of Huso equity and recognition of common control reserve in respect of the Acquisition. A common control reserve is recognised as the assets are not fair valued at the date of acquisition.

   ii Recognition of transaction cost incurred in respect of the Acquisition.

   iii Initial purchase consideration payment made by the fresh issuance of shares on the Closing Date.

   iv Fair value on the Acquisition date of the contingent consideration to be settled in shares to the vendors from 31 July 2016 and 31 July 2024 respectively. The fair value of these amounts has been calculated using a discount rate of 16.63% as per an independent valuator after taking into consideration the probability of achieving the set performance targets.
7. The “After” column illustrates the effect of the Acquisition after the adjustments on the published consolidated annual financial position of Trustco as at 31 March 2015.
8. Scenarios v to xiii – contingent based upon the fact that all EBITDAASA targets are met, per note 5.1.2.1 of the Circular.
9. Scenario ivx – the 1.5 million carats of additional resource target of Huso is met and the shares as per the Share Purchase Agreement is issued. The revenue, cost of sales, depreciation, amortisation and taxation effects of Huso for subsequent years are ignored for the *pro forma* statements. EBITDAASA targets are cumulative. Based on the contingent consideration, assuming that all the EBITDAASA targets as per note 5.1.2.1.1 are met, and that the Mineral Resource target per note 5.1.2.2.1 is met.

REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

"The Directors
Trustco Group Holdings Limited
2 Keller Street
Windhoek
Namibia

7 September 2015

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON TRUSTCO GROUP HOLDINGS LIMITED

Introduction

We have completed our assurance engagement to report on the compilation of *pro forma* financial information by Trustco Group Holdings Limited ("Trustco"), consisting of the *pro forma* statement of financial position as at 31 March 2015 and the *pro forma* statement of comprehensive income for the year ended 31 March 2015 as set out in Annexure 9 of the Circular issued by Trustco. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements. Because of its nature, the *pro forma* financial information does not represent the company's actual financial position, financial performance or cash flows.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the acquisition of the entire shareholding in Morse Investments Proprietary Limited ("Morse") and Huso Investments Proprietary Limited ("Huso"), via its wholly owned subsidiary, Trustco Resources Proprietary Limited ("Trustco Resources").

As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 March 2015, extracts of which are reflected in Annexure 3 to the circular, the Morse audited financial statements for the year ended 31 March 2015 as well as the report on historical financial information of Huso for the year ended 31 March 2015, incorporated by reference in paragraph 31 of the Circular.

Responsibilities

Directors' responsibility for the *pro forma* financial information

Management of Trustco is responsible for compiling the *pro forma* financial information in accordance with the applicable criteria as set out in the JSE listing requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion, as required by the JSE Listings Requirements, about whether the *pro forma* financial information has been compiled, in all material respects, by the directors in accordance with the applicable criteria, based on our procedures performed. We are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the *pro forma* financial information. In addition, we have not performed an audit or review of the *pro forma* financial information and, accordingly, we do not express an opinion on the *pro forma* financial information

Scope

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prelisting Statement*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the responsible party has applied the process to compile the *pro forma* financial information in accordance with the applicable criteria.

As the purpose of *pro forma* financial information included in a Prelisting Statement is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2015 would have been as presented.

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

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

The value and existence of the assets and/or liabilities being acquired, as reflected in the adjustment column of the *pro forma* balance sheet are in accordance with the accounting policies adopted by the issuer and the recognition and measurement criteria of IFRS.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 9.

Per Nick Lazanakis
Chartered Accountant (SA)

BDO South Africa Incorporated
22 Wellington Road
Parktown
2193"

INDEPENDENT OPINION ON THE ACQUISITION

"7 September 2015
The Independent of Directors
Trustco Group Holdings Limited
2 Keller Street
Windhoek
Namibia

Dear Sirs/Madams

Fairness Opinion to the independent directors of Trustco Group Holdings Limited ("Trustco") concerning the proposed acquisition issue as defined by the JSE Listing Requirements whereby Trustco will acquire all the shares in Huso (Pty) Ltd and indirectly mining rights and a diamond cutting and polishing business from the related party and for a maximum price of N$3 621 149 000 to be settled by the issue 772.1 million shares at at an issue price of N$4.69 per share to the related party ("acquisition issue").

INTRODUCTION

Shareholders are referred to the SENS announcements published on 2 February 2015, 22 June 2015 and 24 June 2015 in terms of which the Company advised shareholders, *inter alia,* of its intention to pursue opportunities in the resources sector and further that the Company has entered into an Option Agreement with Mr Quinton van Rooyen in terms of which the Company acquired an option to acquire the entire shareholding in Huso, of which Mr Quinton van Rooyen is the sole shareholder, via its wholly owned subsidiary, Trustco Resources.

Further to the publication of the announcements referred to above, shareholders are also referred to the SENS announcement published on 15 July 2015 in terms of which the Company advised that the Company has exercised the aforesaid Option and has consequentially entered into a Share Purchase Agreement with the Seller dated 14 July 2015 for the acquisition of the entire issued share capital of Huso.

Huso is the holding company of NNDC, a diamond mining and exploration entity in Namibia and Morse a diamond processing and polishing factory in Namibia.

The total purchase consideration payable by Trustco to the Seller in respect of the Acquisition, will be settled by way of an issuance of new Trustco shares by Trustco to the Seller.

Mr Quinton Van Rooyen is defined as a related party in terms of both Paragraph 10.1 (b)(i) and Paragraph 10.1 (b)(ii) of the JSE Limited Listings Requirements. In terms Paragraph 10.4 the independent board of directors must obtain a fairness opinion prepared in accordance with Schedule 5 of the JSE Limited Listing Requirements. Consequently the board is obtaining an opinion from an independent expert confirming that the acquisition and the related party share issues are fair insofar as shareholders of Trustco are concerned. Effortless Corporate Finance (Proprietary) Limited has been engaged by the independent directors of Trustco to prepare a Fairness Opinion in accordance with the Listings Requirements of the JSE. The Fairness Opinion will be included in the circular to shareholders.

The opinion is given to the Trustco independent directors for the sole purpose of assisting the independent directors in forming and expressing an opinion for the benefit of holders of shares in Trustco.

DEFINITION OF FAIRNESS

In terms of Schedule 5 of the JSE Listings Requirements fairness is primarily based on quantitative issues. For illustrative purposes, in the case of an acquisition settled by the issue of shares to a related party, the acquisition and the issue may be said to be fair if the value of shares issued to the related party is equal to or less than the value of the assets being acquired.

SOURCE DOCUMENTATION AND INFORMATION CONSIDERED

We have considered all the following information that is relevant to the value of the ordinary shares in Trustco and the value of the acquisition in formulating our opinion:

- information on Trustco and the acquisition, including the history, the nature of business, services, key customers, industry and competitors;
- SENS announcements and agreements relating to the acquisition issue of shares;
- share price, the volume of trading and other share trading statistics of Trustco and other listed investments on the JSE;
- the audited annual financial statements including the annual report of Trustco for the year ended 31 March 2014, 31 March 2013 and 31 March 2012;
- property valuations performed by registered property valuers;
- competent Person's Report on the mining assets that are the subject dated 10 June 2015;
- management budgets and forecasts;
- discussions with the executive directors of Trustco;
- the details relating to the acquisition issue of shares;
- discussions with directors of Trustco, including discussions regarding the rationale for and the perceived benefits to be obtained from the acquisition issue of shares; and
- operating costs and capital expenditure.

The key value drivers:

Internal:

- Portfolio spread: a larger portfolio across the various market sectors will serve to reduce the risk in the market. Based on the spread of the portfolio across the various sectors of the economy, this will serve to reduce the risk of the company.
- Management depth; The Company has a stable management and executive directors, with market and management experience that serves the Company well in the business environment.
- Financial history: allows for effective management. The management team is effective and the production of timely, detailed management reports contributes to managements proactive management of the business.

External:

- Competition: as per market demand/supply.
- Market defensibility: Being a significant player in market allows the Company to defend market share.
- Recurring revenue.
- Market trends: The Company is well placed to respond to market trends in the economy, with the management being receptive to these factors.
- Interest rate: The effect of changes in interest rate on the borrowings of the Company.

Assumptions of the valuation include:

- Historical trading was analysed and was used as a basis for testing the reasonability of forecasts.
- Margins and operating costs; a comparison of the historical vs the forecast was performed.
- Growth in revenue 66% in year one, reducing to 8.5%.
- Tax, at the corporate tax rate of 28%.
- Working capital, cash and capital expenditure requirements have been assumed to remain in line with historical trends.
- Growth in revenue for 2016 is in terms of the budgets and forecasts prepared by management and property valuers.

PROCEDURES

In arriving at our opinion, we have, *inter alia*:

- prepared valuations in accordance with generally accepted valuation approaches and methods. We have prepared the valuation of the major operating asset using a Discounted Cash Flow Model. As corroborating evidence we reviewed the reasonability of the PE ratio and the net asset value calculation in the annual financial statements,
- review of directors' valuations;
- review of the independent reports for both the Competent Person's Report and the property valuations performed by independent valuers; We considered the reports on the mining rights and valuations of the investment properties and obtained evidence of the following:
  - the professional competence, in particular, membership of an appropriate professional body and experience and reputation in the field;
  - the independence, including confirmation that there were no actual or apparent conflicts of interest that might impair, or be perceived to impair, their objectivity;
  - that the scope of the work was adequate; and
  - the appropriateness of the work ensuring that the methodology is acceptable.

Having considered the above, we are satisfied with the valuations:

- reviewed the terms of the acquisition issue of shares;
- considered information made available by and from discussions held with the management and directors of Trustco;
- considered the rationale for the acquisition issues of shares;
- considered the valuation of Trustco that we prepared; and
- conducted appropriate sensitivity analysis given a reasonable range of key assumptions on the valuations mentioned above. Sensitivity analysis conducted includes, *inter alia*; inflation rates, growth rates and interest rates. Sensitivity analysis was conducted based on historical trends and market forecasts. Various scenarios were evaluated and analyses to determine the effects of changes in these variables. The historical analyses of these factors reflect stability and no significant historical fluctuations have been observed. This serves well to limit the range for the sensitivity analysis. Following the sensitivity analysis, the major drivers (most sensitive) were revenue growth percentage – a 1% increase giving a 7.6% difference and the fair rate of return – a 1% difference resulting in 17% change in valuation.

Fair rate of return

We used a fair rate of return of between 15% and 16% for the valuation models used in the valuation.

Introduction

The modified capital asset pricing model was applied in arriving at the fair rate of return used to discount the projected cash flows. The fair rate of return comprises three elements:

1. the rate the investor could earn after tax on government bonds, which was used as a surrogate for a risk free rate,
2. the systematic risk premium applicable to the asset comprising the risks that cannot be mitigated by diversification, and
3. the unsystematic risk applicable to the asset comprising the risks that could be mitigated by diversification but were not.

Risk free rate on long dated government bonds of 8% was utilised.

Systematic risk premium 8% p.a. was considered appropriate.

Unsystematic risk premium

This premium utilised was 2% and accounts for the risks that could, theoretically, be mitigated by placing the asset in a diversified portfolio of assets. Where this is not the case, or where it is not possible to mitigate such risks, account should be taken of these risks.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- placing reliance on representations made by directors and senior employees during the course of forming these opinion;
- we have considered the opinions of independent professionals, e.g. the competent person, the audit report and the independent property valuers;
- considering the historical trends of such information and assumptions;
- comparing and corroborating such information and assumptions with external sources of information, if such information is available; and
- determining the extent to which representations from directors, senior employees and the Independent Valuer could be relied upon.

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purpose of this valuation, whether in writing or obtained in discussion with the executive directors, non-executive directors and management of Trustor. We have relied on the audit reports and reviewed the information for reasonableness and consistency. We express no opinion on this information.

VALUATION

We have performed valuations using a Discounted Cash Flow Models of both the acquisition and Trustco to determine whether the proposed acquisition issue of shares represents fair value to the shareholders. We have reviewed the methodologies available for performing valuations of businesses operating in this industry. The Discounted Cash Flow Model was applied as the primary valuation methodology and the capitalisation of earnings method was used as the secondary method.

Sensitivity analyses were performed considering key assumptions in arriving at the valuation range set out below. The valuation involved a stress test and sensitivity analysis on the key value drivers.

INDEPENDENCE, COMPETANCE AND LIMITING CONDITIONS

We confirm that Effortless Corporate Finance (Pty) Ltd has no independence issues relating to directorships, employment, owning shares, management and fees earned in Trustco or related parties.

We confirm that Effortless Corporate Finance (Pty) Ltd and the directors responsible for this assignment have the necessary competencies relating to internal control systems, quality control, experience and qualifications.

We confirm that we have no financial interest and no relationship in Trustco, the acquisition issue of shares or related parties. Furthermore, we confirm that our professional fees are not contingent upon the success of the acquisition issue of shares and amount to R50 000 payable in cash.

We confirm that the scope of our procedures and work performed were not subject to any limiting conditions.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this report. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

The effect of the acquisition issue of shares on individual shareholders of Trustco may vary depending on their particular circumstances. We suggest that shareholders should consult an independent advisor if they are in any doubt as to the effect of the acquisition and the issues of shares, considering their personal circumstances.

OPINION

We have evaluated the acquisition issue of shares and have found that they are fair.

CONSENT

We consent that this opinion may be included, in whole or in part, in any required regulatory announcement or documentation such as a circular.

Yours faithfully

PAUL AUSTIN

Effortless Corporate Finance (Proprietary) Limited
Registration number 2010/004734/07
23 Nicholi Avenue
Kommetjie
7950"

PARTICULARS OF VENDORS AND MATERIAL CONTRACTS

The following information relate to vendors of material assets purchased by Trustco or any of its subsidiaries during the three years preceeding the publication of the Circular:

1. THE ELISENHEIM ACQUISITION

On 1 December 2013, the group acquired 100% of the share capital of the Elisenheim Property Development Company (Pty) Limited. The development consist of a residential and commercial housing estate situated within the Windhoek basin in Windhoek, Namibia.

Name and Address of Vendor: Philco, PO Box 11815,Windhoek, Namibia Registered Office Address of Vendor: 5 Slater Street, Klein Windhoek, Windhoek, Namibia

1.1 Names of Beneficial Shareholders of Vendor

Edna Trust (50%) the family trust of Mr A Swanepoel; Philco Twenty One (Pty) Limited (25%); RAF Trust the family trust of Mr M Fehrsen (25%)

1.2 Effective date of acquisition by Trustprop

1 December 2013

1.3 Total consideration

NS$220 000 000

1.4 Cash used to finance acquisition

A bank loan from Bank of Windhoek amounting to approximately NS$ 220 000 000 was utilised to fund the acquisition of Elisenheim. For more information please refer to paragraph 15.1 of the Circular for the outstanding balance of the loan and the repayment terms.

1.5 Date of acquisition by vendor

15 December 2005

1.6 Warranties

The parties have given each other the warranties and indemnities that are usual in transactions of this nature. The contract did not include any restraint of trade for the vendors.

1.7 Valuation of asset

An independent valuer from G Hamman Protery Valuers CC (Registration number 2007/2302) valued the property in its existing state for an amount of NS$ 300 000 000 on 7 April 2014.

1.8 Assets acquired

The assets acquired have been transferred into the name of Trustprop and the assets pledged as security for the bank loan used to fund the acquisition. No goodwill or intangible assets were paid for in terms of the acquisition. The asset acquired was not purchased by the vendor within the last three years before the date of the acquisition.

Refer to paragraph 15.4 for more information on the settlement terms.

1.9 **Reconciliation between net asset value of Elisenheim and the purchase consideration**

	Book value N$000	Fair value adjustment N$000	Fair value N$000
N$000			
Inventory	142 641	188 831	331 742
Investment property	47 430	27 450	74 880
Deferred tax liability	(23 229)	–	(23 229)
Long-term liabilities	(80 000)	–	(80 000)
Deferred tax recognised on fair value adjustment in business combination	–	(62 314)	(62 314)
Trade and other payables	(35 149)	–	(35 149)
Net assets	51 693	153 967	205 660
Gain on bargain purchase			(3 000)
Purchase consideration			202 660

2. **THE HUSO ACQUISITION**

Trustco through its wholly owned subsidiary Trustco Resources acquired the entire shareholding in Huso as set out in more detail in this Circular.

2.1 **Name and address of Beneficial Shareholders of Vendor**

Quinton van Rooyen 100%

Trustco House, 2 Keller Street, Windhoek, Namibia

2.2 **Effective date of acquisition by Trustco Resources**

30 September 2015

2.3 **Total consideration**

NS$3 621 149 000

2.4 **Cash used to finance acquisition**

In terms of the Share Purchase Agreement and as set out in paragraph 4.2.4 of the Circular, the total purchase consideration payable by Trustco to the Seller in respect of the Acquisition, will be settled by the issue of new shares by Trustco to the Seller.

2.5 **Date of acquisition by vendor**

14 July 2015

2.6 **Warranties**

The parties have given each other the warranties and indemnities that are usual in transactions of this nature.

Refer to paragraph 6 in the Circular for more detail pertaining to warranties given by the Seller.

2.7 **Valuation of asset by vendor**

The asset was not purchased by the vendor within the last three years before the date of the acquisition.

2.8 **Taxation**

The tax liability within the Huso consolidated financial statements amounts to N$95 830 as per the Huso statement of financial position included in Annexure 5 of the Circular. This liability will be take over as part of the Acquisition and will be paid if required in the normal course of business. No other tax liability arises.

3. **THE IFC SHARE SUBSCRIPTION**

3.1 On 12 August 2013, it was announced on SENS that Trustco had entered into the IFC Warrant Agreement in terms of which Trustco have granted the IFC Warrant Rights to the IFC.

3.2 The IFC Warrant Agreement may result in the issue of 40 000 000 Trustco shares at the IFC Warrant Exercise Price in terms of the Warrant Exercise Rights.

3.3 The IFC Warrant Exercise Rights are transferrable by the IFC on 15 days' written notice of such transfer having been given to Trustco.

3.4 Trustco have given the IFC warranties and representations that are ussual in transactions of this nature.

3.5 On 21 August 2013, it was further announced on SENS that Trustco has also entered into the IFC Share Subscription Agreement and the IFC Put option Agreement with the IFC the terms of which were, *inter alia:*

3.5.1 That the IFC would also subscribe for 35 million Trustco shares immediately following the IFC Share Subscription at a price of 85 cents per Trustco share or an aggregate purchase price of N$29,75 million; and

3.5.2 That the IFC have the option to put shares on Trustco in terms of the IFC Put Option Agreement.

3.5.3 The IFC Share Subscription took place on 29 August 2013.

3.5.4 The IFC Put Option Agreement may result in Trustco repurchasing the IFC Repurchase Shares, in aggregate a maximum of 75 000 000 of Trustco ordinary shares in issue upon the terms and conditions set out in the IFC Put Option Agreement.

3.5.5 The rationale for the IFC Share Subscription was to support Trustco's existing student education and lending operations as well as its micro insurance activities whilst assisting with Trustco's envisaged expansion into the rest of Africa.

3.5.6 The IFC can put the IFC Repurchase Shares on Trustco and Trustco must then repurchase the IFC Repurchase Shares at the IFC Put Price Per Share.

3.6 The above was set out in detail in the Circular dealing with the IFC subscription and Trustco shareholders approved the resolutions proposed at the special general meeting so as to authorise the implementation of the above corporate actions.

4. **THE RENCAP SHARE BUY-BACK**

4.1 On 21 October 2011 Trustco and Rencap entered into an agreement in terms whereof, *inter alia,* Trustco was granted a call option to acquire Rencap's entire shareholding in Trustco, being 74 331 920 Trustco shares at a strike price of 110 cents per Trustco share upon written notice to Rencap.

4.2 A circular to Trustco shareholders containing full details of the Rencap Agreement, was posted on 15 December 2011. At a special general meeting of the Company, held on 19 January 2012, the Rencap and the potential Rencap repurchase envisaged in terms of the call option contained therein, was approved by the requisite majority of Trustco shareholders.

4.3 In a letter dated 13 November 2013 Trustco gave Rencap notice that it intends to exercise the call option, however Rencap and Trustco agreed that the strike price of 110 cents per Trustco share will be reduced to 91 cents per Trustco share, subject to the approval of Trustco shareholders in general meeting. The closing price of Trustco shares on the JSE on 14 November 2013 was 96 cents per share.

4.4 The Rencap Amendment gave Trustco the opportunity to acquire its shares at a discount to the market price, to increase its net asset value and to create value for its existing shareholders.

4.5 Trustco shareholders approved the Rencap Amendment as set out in more detail in the Rencap Circular.

EXTRACT FROM THE ARTICLES OF ASSOCIATION OF TRUSTCO

The following is an extract from the Articles of Association of Trustco Group Holidings Limited dated 15 January 2009:

ISSUE OF SHARES

3. Subject to the provision of the Act and of the memorandum and these articles, and without prejudice to any right previously conferred on the holder of an issued share, a general meeting, may be resolution:

   3.1 Issue any shares (whether with or without prefered, deferred or other special right or restriction, in regard to dividends, voting, return of capital or otherwise);

   3.2 Issue preference shares which are, at the option of the company liable to be redeemed;

   3.3 Subject to the provision of Section 221 and 222 of the Act and any waiver by shareholders of their pre-emtive rights in accordance with the requirements of the NSX and the JSE Limited, all unissued or new shares shall be offered to existing shareholders pro rate to their shareholding unless these are issued for the acquisition of assets;

   3.4 Subject to section 222 of the Act, the shareholders in a general meeting may authorise the directors to issue unissued shares and/or give options to subscribe for unissued shares as the directors may in their discretion think fit, provided this has been approved by all stock exchanges on which the shares of the company may be listed at the time of the issue.

ALTERATION OF CAPITAL

13. The company by special resolution may, subject to the provisions of the Act:

   13.1 Increase, consolidate, devide, sub-divide or cancel all or any part of its capital;

   13.2 reduce its capital, any capital redemption reserve fund, or any share premium account;

   13.3 convert any of its shares, whether issued or not, into shares of another class;

   13.4 convert all or any of its paid-up shares into stock and reconvert such stock into paid-up shares;

   13.5 convert any shares having a par value into shares having no par value and *visa versa;*

   13.6 convert any of its ordinary shares into redeemable preference shares;

   13.7 any new shares which are created and new securities as directed by the company in general meeting shall be offered to the existing shareholders pro rata to their shareholding and any such issue shall also be subject to the rules and requirements of the NSX and the JSE Limited; and

   13.8 re-purchase its shares when so permitted by any law.

FRACTION OF SHARES

14. If, on any capitalisation issue or consolidation of shares, members would, but for the provision of this article, become entitled to fraction shares, the directors shall be enitled to sell the shares resulting from the aggreation of such fractions on such terms and conditions as they deem fit for the benefit of the relevant member, and any director shall be deemed to sign any instrument of transfer or other instument necessary to give effect to such sale.

VARIATION OF RIGHTS

15. Subject to any rights or restriction under which shares are held, the rights or restrictions attached to all or any shares of any class may be amended, modified, varied or cancelled by a special general meeting, provided that no such amendment, modification, variation or cancellation which directly or indirectly adversely affects those rights or restrictions shall be effected without:

15.1 The written cosent or ratification of the holders of at least three quarters of the shares in question; or

15.2 The approval of or ratification by a resolution passed at a separate general meeting of holders of the shares in question in the same manner, mutatis mutandis, as a special resolution, and the provisions of these articles relating to general meetings shall apply to any such general meeting except that a quorum at any such meeting shall be three persons holding or representing by proxy at least one-third of the issued shares of the class in question.

16. Unless otherwise provided by the terms of issue or by these articles, any right or restriction attached to all or any class of shares shall be deemed not to be directly or indirectly adversely affected by:

16.1 The creation or issue of any other shares ranking *pari passu* (but not in priority to) any such shares already issued by the company;

16.2 The cancellation in terms of the Act of any shares of any class in the capital.

APPOINTMENT AND RETIREMENT OF DIRECTORS

42. Subject as hereinafter mentioned, at the first annual general meeting, all the directors shall retire from office and at the annual general meeting in each subsequent year one-third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office. A chief executive officer or other executive director holding that office for an unexpired term shall not be subject to retirement by rotation under this article or be taken into account in determining the number of directors so to retire. A retiring director shall retain office until the conclusion of the meeting.

43. The directors to retire by rotation at an annual general meeting shall be non-executive directors who have been longest in office and so as between persons who become or were last re-elected directors on the same day those to retire shall (unless they otherwise agree amongst themselves) be determined by lot. The length of time during which a director has been in office shall be computed from time to time when he was last elected or re-elected. A retiring director shall be eligible for re-election.

44. The Company at the meeting at which a director retires in the manner aforesaid may by ordinary resolution fill up office being vacated by electing thereto a person eligible for appointment and in default the retiring director shall, if willing to continue to act, be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.

45. The company may also in general meeting elect to be a director any person eligible for appointment either to fill a casual vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed the maximum number fixed by the members at the last AGM;

46. A resolution for the election of two or more persons as directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

47. No person other that a director retiring at the meeting shall be eligible for election as a director at any general meeting unless not less than seven nor more than fourteen clear days before the day appointed for the meeting there shall have been given to the secretary of the Company notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting, for which such notice is given of his intention to propose such person for election and also a notice in writing signed by the person to be proposed, confirming his willingness to be elected.

48. The Company may in accordance with and subject to the provision of the statutes by ordinary resolution of which special notice has been given remove any director from office notwithstanding any provision of these Articles or of any agreement between the Company and such director without prejudice to any claim he may have for damages for breach of any such agreement, and elect another person in place of a director so removed from office and any person so elected shall be treated for the purpose of detirmining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose place he is elected was last elected a director.

49. Without prejudice to the power of the Company in general meeting under these Articles, the board shall have power at any time and from time to time, subject to the statutes, to appoint any person to be a director either to fill the casual vacancy or as an additional director, but so that the total number of directors shall not at any time exceed the maximum number fixed by these Articles. Any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining either the directors of the number of directors who are to retire by rotation at such meeting.

DIRECTORS

50. The maximum number of directors shall be decided at every annual general meeting, but shall not be less than five.

51. Not more than one half of the total number of the directors appointed in terms of Article 50 shall be employed by the Company, its holding company or by any of its subsidiaries.

52. There shall be no share qualification for any director or alternate director.

53. The directors shall be paid out of the funds of the Company by way of remuneration for their services such sum as the Company in general meeting shall from time to time determine.

54. If any director shall devote to the business of the Company either his whole time and attention, or more of his time and attention than in the opinion of the board would usually be so devoted by a person holding such office, or shall undertake or perform any duties or services other than those which, in the opinion of the board, would usually be undertaken or performed by a person holding such office, or shall be called upon to perform and shall perform extra services or make any special exertions for any of the purposes of the Company, then and in any of such cases the board may remunerate the director concerned either by a fixed sum, annual or otherwise, or in such other manner as shall be determined by the board, and such remuneration may at the discretion of the board be either in addition to or substitution for all or any part or any other remuneration to which such director may be entitled under these Articles in accordance with the provisions of Article 59.

57. A director may continue to be or become a director or other officer of or otherwise interested in any company promoted by the Compnay or in which the Company may be interested, and (save as the board may otherwise determine) no such director shall be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company, and with the provisio that such director shall act honestly and in good faith, in the best interest and for the benefit of the Company and its depositors.

58. The board may exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing all or any members of the board as directors or officers of such company, or voting or providing for the payment of remuneration to the directors or officers of such company.

59. A director may hold any office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director upon such terms as the board may detirmine and may receive such remuneration in addition to any remuneration under these Articles as the board may think fit.

    a. A director may, subject to Article 57 of these Articles, act by himself or his firm in a professional capacity for the Company (otherwise than as auditor or as legal practitioner) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

    b. Any remuneration payable in terms of this Article and/or Article 54 and 61 shall be fixed by a disinterested quorum of the directors or a disinterested committee of the directors. However, any director holding such office and interest shall be obliged to comply with Article 57.

60. Subject to the provisions of Articles 57, 72, 73, and 74 of these Articles, no director or intending director shall be disqualified by his office from being a customer of the Company in the ordinary course of business or contracting with the Company either with regard to his tenure of any other office or place of profit, or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract, or any contract or arrangement entererd into by or on behalf of the Company in which any director is in any way, whether directly or indirectly, interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profits realized by any such contract or arrangement by reason of such director holding that office or the fiduciary relationship thereby established. Provided that, while occupying the office of director, any director shall notify the board in writhing of the intended acquisition of any shares, debentures or other securities and/or the intended disposal of any shares, debentures and other securities of the Company.

61. The board may from time to time appoint one or more of its members to the office of chief executive officer or other executive director on such terms as to remuneration, pension and otherwise as it mat think fit and for such period as the board may determine (but with a maximum period of five years any one time) and subject to the terms of any contract entered into in any particular case, may at any time revoke any such appointment. A director so appointed shall, subject to the terms of any agreement between him and the Company and save as provided in Article 65 of these Articles, be subject to the same provisions as to resignation or removal as the other directors and, without prejudice to any claim or damages or compensation to which he may be entitled, his appointment shall be automatically determined if he ceases from any cause to be a director of the Company.

62. The board may entrust to and confer upon a chief executive officer and/or other executive director, any of the powers and authorities vested in it upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of, and in substitution for, all or any of its powers, and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any such powers and authorities.

GENERAL POWERS OF DIRECTORS

68. The board may in its discretion borrow or raise from time to time such amounts as it deems fit for the Company's purposes: Provided that it will be obliged to procure (and as regards any subsidiaries of the Company, only insofar as by the exercise of voting and other rights or powers of control exercisable by it the board can so procure) that, the aggregate principal amount at any time outstanding in respect of monies so borrowed or raised by:

    (a) The Company; and/or
    (b) all its subsidiaries for the time being.
    (c) Shall not exceed the amount for the time being authorised to be borrowed or secured in the aggregate by the directors of the Company.

For purposes of the aforesaid provision, "borrowing" will not include:

(a) Monies borrowed or raised or deposited with or any undertaking, guarantee or suretyship given in the course of its business by the Company or any subsidiary of the Company;
(b) Monies borrowed or raised by the Company from any of its subsidairies or its holding company or by any of the Company's subsidiaries from it or its holding company or any other sbsidairy or its holding company;
(c) Such proportion of borrowings of a partly owbed subsidairy as represent the minority interest.

    The aforesaid approval will not be required for the borrowing of any monies intended to be appied and which are actually applied within ninety days to the repayment (with or without any premium) of any monies then already borrowed and outstanding, notwithstanding the act that new borrowing may result, as at the date thereof, in the aforesaid limit being exceeded.

PROCEEDINGS AS DIRECTORS

72. A director shall not vote in respect of any contract or arrangement in which he is interested (and if he shall do so his vote shall not be counted) nor shall he be counted for the purposes of any resolution regarding the same in the quorum present at the meeting."

DIVIDENDS

80. A period of not less than fourteen days shall be allowed between the date of the declaration or confirmation of the dividend, whichever is the later, and the closing of the transfer register in respect of such dividends.

82. The company may transmit any dividend or the amount payable in respect of a share by ordinary post to the address of the holder or electronically to the nominated bank account thereof recorded in the register and the company shall not be responsible for any loss in transmission.

 82.1.1 which is unclaimed, may be retained by the company and may be invested or used as the directors may deem fit for the benefit of the company until claimed by the member concerned;

 82.1.2 which is retained and unclaimed:

  82.1.2.1 for three years; or

  82.1.2.2 for 12 months, should the company be wound up or deregistered,After the payment date of the dividends in question, shall be forfeited and revert to the company or its assigns and may be dealt with by the directors or such assigns as they deem

 82.1.3 shall not bear interest against the company.

INFORMATION ON TRUSTCO SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

1. SUBSIDIARIES OF TRUSTCO

Name	Registration number	Date of incorporation	Date it became subsidiary of Trustco	Issued capital N$	% held by Trustco	Business of subsidiary
Agricultural Export Company (Pty) Ltd	1993/427	31/08/1993	21/07/2006	N$100	100	To manufacture, distribute, produce, construct, trade, import, export and market all commodities, to render services and invest in property, shares, securities and/ or equities of any kind and to concentrate on the export of agricultural products.
Arru Island Investments (Pty) Ltd	2014/0737	18/08/2014	15/01/2015	N$100	100	Investment in aircraft and charter services and related activities.
Discuss Properties (Pty) Ltd	1999/056	23/02/1999	Date of incorporation	N$100	100	To invest in, own, trade in and sell fixed property and to do any kind of other business to be decided upon by the members from time to time.
Erf 7179 (Pty) Ltd	1996/0073	29/05/1996	21/07/2006	N$150	100	Property owing and all related activities. Investment in aircraft and charter services and all related activities.
Elisenheim Property Development Company (Pty) Ltd	2001/651	23/11/2001	01/12/2013	N$100	100	The purchasing, selling, leasing and generally trading in motor vehicles, aircraft and other high value commodities.
Farm Herboths (Pty) Ltd	2011/0273	29/04/2011	2/4/2015	N$100	100	To acquire, own, let, sell, develop and generally deal with immovable property.
Insurance Claims Exchange (Pty) Ltd	1982/001809/07	25/02/1982	01/11/2007	N$300	300	Financial intermediation insurance, real estate and business services

Name	Registration number	Date of incorporation	Date it became subsidiary of Trustco	Issued capital N$	% held by Trustco	Business of subsidiary
Institute for Open Learning (Pty) Ltd	1995/228	19/05/1995	21/07/2006	N$4 000	100	To manufacture, distribute, produce, construct, trade, import & export and market all commodities, to render services, to provide correspondence courses & long distance education courses and be involved in any other business and activities related to the above.
Komada Holdings (Pty) Ltd	1994/531	11/11/1994	21/07/2006	N$100	100	To render financial services with reference to the usury ACT No. 73 of 1968 as amended by section 15 (A), to provide company secretarial services and all related activities.
Legal Shield Holdings (Pty) Ltd	2006/399	07/09/2006	Date of incorporation	N$100	100	To act as the holding company for legal shield Namibia Ltd, Legal Shield Life Ltd & future investments in the insurance industry and all related activities.
New Adventure Insurance Brokers (Pty) Ltd	2000/023619/07	14/09/2000	01/11/2007	N$300	300	Short term insurance brokers.
November Properties (Pty) Ltd	1999/027	11/02/1999	Date of incorporation	N$100	100	To invest in, own, trade in and sell fixed property and to do any kinds of other business to be decided upon by the members from time to time.
Printas (Pty) Ltd	2005/328	06/07/2005	50% – 18/01/2006 50% – 21/07/2006	N$100	100	To operate a printing press and all objects ancillary thereto.
Thera Island Investments (Pty) Ltd	2014/0741	18/08/2014	15/01/2015	N$100	100	Investment in aircraft and charter services and related activities.
Trustco Accommodation (Pty) Ltd	2006/284	17/07/2006	Date of incorporation	N$100	100	To operate accommodation establishments including hotels, lodges and all related activities.
Trustco Administrative Support Services (Pty) Ltd	2006/299	20/07/2006	Date of incorporation	N$100	100	To render accounting, human resources, legal advice and transport support services to companies in the Trustco group.

Name	Registration number	Date of incorporation	Date it became subsidiary of Trustco	Issued capital N$	% held by Trustco	Business of subsidiary
Trustco Air Services (Pty) Ltd	2002/374	23/08/2002	Date of incorporation	N$100	100	The charger of chartered and non-chartered flights, scheduled and non-scheduled flights and any business as the directors of the company may decide from time to time.
Trustco Bank Namibia Limited	2008/042	15/01/2008	3/09/2014	N$100 000 000	100	To carry on business as a banking institution and to transact and do all matters and things incidental thereto.
Trustco Business Development (Pty) Ltd	2006/282	17/07/2006	Date of incorporation	N$100	100	To manufacture, distribute, produce, construct, import, export, and market all commodities, to render services and invest in property and fixed property, shares, securities and or equities of any kind and any other business and activity related to the above mentioned.
Trustco Capital (Pty) Ltd	2003/057	04/02/2003	Date of incorporation	N$100	100	To manufacture, distribute, produce, construct, import, export, and market all commodities, to render services and invest in property and fixed property, shares, securities and or equities of any kind and any other business and activity related to the above mentioned.
Trustco Corporate Management Services (Pty) Ltd	2006/298	20/07/2006	Date of incorporation	N$100	100	To act as the holding company for subsidiary companies providing support services including accounting, human resources, legal advice and fleet management required in the Trustco group.
Trustco Education (Pty) Ltd	2006/281	17/7/2006	Date of incorporation	N$100	100	To act as the holding company for subsidiary companies providing educational facilities and the provision of financial assistance for education and training purposes and all related activities.

Name	Registration number	Date of incorporation	Date it became subsidiary of Trustco	Issued capital N$	% held by Trustco	Business of subsidiary
Trustco Estate Planners and Administrators (Pty) Ltd	2006/290	31/07/2007	Date of incorporation	N$100	100	Estate planning, advisory services and administration of estates.
Trustco Finance (Pty) Ltd	2005/495	19/09/2005	19/09/2005	N$208	100	Financing of student courses
Trustco Financial Services (Pty) Ltd	1975/001412/07	07/05/1975	01/11/2007	N$4 000	4 000	Providing management and accounting support services to the financial services industries.
Trustco Fleet Management Services (Pty) Ltd	2003/056	04/02/2003	Date of incorporation	N$100	100	Trading in motor vehicles and other motorised assets, leasing and renting of these assets and all other related activities.
Trustco Group International (Pty) Ltd	92/335	21/08/1992	Date of incorporation	N$100	100	Leasing of property, rendering of administrative services, management and air services, cellular network service providers and computer system administrators, selective clothing ranges, farming and transportation activities, earth mining and tourism services, retail and wholesale.
Trustco Group International (Pty) Ltd	92/335	21/08/1992	Date of incorporation	N$100	100	Leasing of property, rendering of administrative services, management and air services, cellular network service providers and computer system administrators, selective clothing ranges, farming and transportation activities, earth mining and tourism services, retail and wholesale.
Trustco Informatix (Pty) Ltd	1971/008250/07	23/07/1971	01/11/2007	N$4	4	To manage, monitor and produce all IT related infrastructure for insurance reacted aspects of the South African entities
Trustco Insurance Limited	99/208	01/06/1999	31/05/2006	N$4 000 000	100	To undertake and carry on the business of short term insurance in terms of the Short Term Insurance Act, Act No. 4 of 1998

Name	Registration number	Date of incorporation	Date it became subsidiary of Trustco	Issued capital N$	% held by Trustco	Business of subsidiary
Trustco Intellectual Property Holdings (Pty) Ltd	2003/0149	17/02/2003	31/03/2005	N$300	100	Development, protection, acquisition, licensing and disposal of intellectual property and intangible assets.
Trustco Intermediary Solutions (Pty) Ltd	1997/012798/07	05/08/1997	01/11/2007	N$1 000	1 000	Insurance intermediary registered with the FSB
Trustco Life Limited	2004/046	11/02/2004	Date of incorporation	N$4 000 000	100	To undertake and carry on the business of long term insurance in terms of the Long-Term Insurance Act
Trustco Media (Pty) Ltd	2006/285	17/07/2006	Date of incorporation	N$100	100	To act as the holding company for subsidiary companies trading in the media, printing and publishing, including advertising and all related activities.
Trustco Mobile (Pty) Ltd	2008/0528	04/06/2008	8/09/2008	N$100	100	Sales of airtime and distribution and all related activities.
Trustco Newspapers (Pty) Ltd	2006/283	17/07/2006	Date of incorporation	N$100	100	To produce, publish and print newspapers, magazines and similar informative literature and all related activities.
Trustco Property Holdings (Pty) Ltd	2006/289	17/07/2006	Date of incorporation	N$100	100	To act as the holding company for subsidiary companies trading in property holding and development and all related activities.
Trustco Resources (Pty) Ltd	2015/0081	17/02/2015	Date of incorporation	N$100	100	To engage in the extraction, processing, marketing, sales and import and export of natural resources.
Trustco Reinsure Ltd	2014/0593	25/07/2014	Date of incorporation	N$10 000 000	100	To provide re-insurance in terms with the Long-Term Insurance Act, No. 5 of 1998.
Trustco Restaurants (Pty) Ltd	2006/288	17/07/2006	Date of incorporation	N$100	100	To operate restaurants and similar business activities.
Trustco Tourism Holdings (Pty) Ltd	2006/286	17/07/2006	Date of incorporation	N$100	100	To act as the holding company for subsidiary companies trading in the hospitality industry and all related activities.
Sunda Island Investments (Pty) Ltd	2014/0738	18/08/2014	15/01/2015	N$100	100	Investment in aircraft and charter services and related activities.

Except where indicated otherwise, all the subsidiaries listed above are incorporated in Namibia.

2. **RELATED PARTY TRANSACTIONS**

Details of transactions between the group and other related parties are disclosed below as extracted from the audited consolidated financial statements of Trustco for the year ended 31 March 2015:

			Group N$000	Company N$000
1.	**CHARTER INCOME RECEIVED**			
	Entities in which board members have significant influance			
	Next Investments (Pty) Ltd	Common director: Q van Rooyen	202	–
	NNDC	Common director: Q van Rooyen	1 278	–
2.	**INTEREST RECEIVED**			
	Subsidiaries			
	Trustco Capital (Pty) Ltd	Indirect subsidiary	–	15 451
	Trustco Finance (Pty)Ltd	Indirect subsidiary	–	25 967
3.	**MANAGEMENT FEE RECEIVED/ (PAID)**			
	Entities in which board members have significant influance			
	Next Investments (Pty) Ltd	Common director: Q van Rooyen	(22 036)	(7 562)
	Subsidiaries			
	Trustco Group International (Pty) Limited (incl. in Namibia)	Direct subsidiaries	–	4 670
4.	**MANAGEMENT FEE RECEIVED/ (PAID)**			
	Entities in which board members have significant influance			
	Next Investments (Pty) Ltd	Common director: Q van Rooyen	11 130	–
	Subsidiaries			
	Trustco Financial Services (Pty) Ltd	Indirect subsidiaries	–	(19 151)

3. **LISTING OF SUBSIDIARIES ON AN EXCHANGE**

None of the subsidiaries of Trustco are listed on an exchange.

TRUSTCO SHARE PRICE INFORMATION

Date	Aggregate volume	Aggregate value R'000	Highest price cents	Lowest price cents	Closing price cents
August 2014	6 662 813	1 232 620	200	170	198
September 2014	20 561 017	4 112 203	220	180	195
October 2014	2 634 246	636 170	300	183	300
November 2014	861 272	234 696	300	245	280
December 2014	4 708 323	1 261 830	285	251	270
January 2015	6 516 832	1 694 376	270	250	258
February 2015	12 051 989	3 922 922	393	258	370
March 2015	19 618 674	6 336 831	370	276	300
April 2015	15 724 063	5 243 975	397	270	366
May 2015	5 132 865	1 842 698	396	322	350
June 2015	9 716 469	3 925 453	470	338	445
July 2015	66 920 348	326 966 741	505	383	418
August 2015					
1 July 2015	31 892	14 175	449	440	445
2 July 2015	64 787	27 955	444	419	419
3 July 2015	63 166	26 814	430	419	419
6 July 2015	985 001	407 298	422	405	420
7 July 2015	363 198	156 175	438	422	438
8 July 2015	714 730	306 262	437	420	430
9 July 2015	43 166	18 971	442	437	441
10 July 2015	4 868 254	2 193 148	456	445	455
13 July 2015	2 187 385	1 006 197	465	455	461
14 July 2015	1 116 853	527 713	485	460	485
15 July 2015	45 927 899	22 665 418	505	482	503
16 July 2015	5 402 020	2 674 000	500	490	495
17 July 2015	439 824	214 414	495	480	480
20 July 2015	763 353	366 409	490	470	480
21 July 2015	182 234	82 643	475	432	455
22 July 2015	489 042	216 156	450	434	434
23 July 2015	88 367	38 218	439	426	435
24 July 2015	579 240	249 363	436	425	425
27 July 2015	123 158	509 874	430	402	414
28 July 2015	476 381	1 881 704	414	390	395
29 July 2015	654 117	2 551 056	395	383	390
30 July 2015	1 057 838	4 125 568	390	385	390
31 July 2015	298 443	1 247 491	418	387	418
3 August 2015	467 910	2 082 199	445	400	445
4 August 2015	37 319	153 754	445	412	412
5 August 2015	616 546	2 497 011	413	398	405
6 August 2015	1 321 520	5 352 156	405	390	405
7 August 2015	5 519	21 965	405	395	398
11 August 2015	416 006	1 664 024	405	375	400

Date	Aggregate volume	Aggregate value R'000	Highest price cents	Lowest price cents	Closing price cents
12 August 2015	253 490	975 936	407	380	398
13 August 2015	317 180	1 176 737	400	370	371
14 August 2015	579 884	2 232 553	390	371	385
17 August 2015	75 609	283 533	385	375	375
18 August 2015	438 389	1 600 119	385	362	365
19 August 2015	387 977	1 435 514	375	365	370
20 August 2015	289 566	1 152 472	405	365	398
21 August 2015	848 916	3 370 204	395	375	397

TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia
Registration number 2003/058
JSE share code: TTO NSX share code: TUC
ISIN: NA000A0RF067
("**Trustco**" or "**the Company**")

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Trustco shareholders will be held at Trustco's registered office, 2 Keller Street, Windhoek on Monday, 5 October, commencing at 10:00 for the purpose of considering and, if deemed fit, passing with or without modification, the following ordinary resolutions:

The definitions and interpretations set out on pages 5 to 10 of the Circular of which this Notice of General Meeting forms part ("the Circular") apply, mutatis mutandis, to this Notice of General Meeting. To the extent that a term used herein is defined as aforesaid but is defined in the Companies Act, it will have the meaning ascribed to in the Companies Act.

Votes at the General Meeting will be conducted by way of a poll and not on a show of hands.

ORDINARY RESOLUTION NUMBER 1: APPROVAL OF THE SHARE PURCHASE AGREEMENT

"**RESOLVED that**, subject to the passing of the Ordinary Resolution, the Share Purchase Agreement for the acquisition of the 100% shareholding in Huso and its Subsidiaries Morse and NNDC by Trustco, to be held by Trustco Resources, a wholly owned subsidiary of Trustco, on the terms and conditions contained in the Share Purchase Agreement, a copy of which was available for inspection, for a maximum consideration of N$3 621 149 000 as more fully described in the Circular to be settled by way of an issuance to the Seller, Quinton van Rooyen, of a maximum of 772 100 000 new Trustco shares at an issue price of N$4.69 per Trustco share, be and is hereby approved as an ordinary resolution in terms of the Listings Requirements."

Reason

The reason for Ordinary Resolution number 1 is that the Share Purchase Agreement is classified as a category 1 related party transaction in terms of the Listings Requirements, as the Seller is a material shareholder and the Managing Director of the Company. Accordingly, the Share Purchase Agreement requires approval of the Shareholders by way of the Ordinary Resolution in terms of the Listing Requirements, excluding any votes cast by the Seller.

Effect

The effect of the Ordinary Resolution that the transaction, being classified as a category 1 related party transaction in terms of the Listings Requirements, may be duly implemented should Shareholders approve thereof in the manner described above.

Note

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the voting rights present or represented by proxy at the general meeting and and exercised on this resolution.

The transaction is classified as a category 1 related party transaction, as the Seller is a material Shareholder and the Managing Director of the Company, and therefore the related party and his associates, if applicable, are excluded from voting.

The quorum requirement for the Ordinary Resolution to be adopted shall be sufficient persons being present to exercise in aggregate at least 25% of all voting rights that are entitled to be voted on the Ordinary Resolution. The Seller and his associates, if any, will be taken into account in determining a quorum for the General Meeting but will not be taken into account for purposes of determining the quorum for the Ordinary Resolution. In order for the Ordinary Resolution to be adopted, it must be supported by more than 50% of the voting rights exercised on the resolution excluding the voting rights of the Seller and his associates, if any.

ORDINARY RESOLUTION NUMBER 2: AUTHORITY TO ACTION

"RESOLVED THAT, the Chairman of the Company, Adv R Heathcote or any other Trustco director designated by him other than Mr Quinton van Rooyen be and is hereby authorised, instructed and empowered to do all such things, sign all such documents and procure the doing of all such things and the signing of all such documents as may be necessary to give effect to the Ordinary Resolutions set out in this Notice of General Meeting."

Reason

The reason for Ordinary Resolution number 2 is to empower the Chairman of the Company, or any other director designated by him to sign all documentation and to do all things that may be necessary to give effect to the Resolutions that may be approved at the General Meeting.

Effect

The effect of Ordinary Resolution number 2 is that, should the Shareholders approve Ordinary Resolution number 2, the Chairman of the Company, or any director designated by him, will be empowered to sign all documentation and to all things necessary to give effect to the Resolutions that may be approved at the General Meeting.

Note

Quorum requirement for Ordinary Resolution number 2 to be adopted shall be sufficient persons being present to exercise in aggregate at least 25% of all voting rights that are entitled to be voted on Ordinary Resolution number 2. In order for this Ordinary Resolution number 2 to be adopted, it must be supported by more than 50% of the votes of all Trustco shareholders present or represented by proxy at the meeting and exercised on this ordinary resolution.

VOTING AND IRREVOCABLE PROXIES

Shareholders who hold their shares in certificated form or who are own name registered shareholders holding their shares in dematerialised form who are unable to attend the general meeting but who wish to be represented there at, are required to complete and return the attached irrevocable form of proxy, to either Transfer Secretaries, PO Box 2401, Windhoek or Computershare Investor Services, Ground Floor, 70 Marshall Street, Johannesburg, 2001, so as to be received by the Company's transfer secretaries by not later than 10:00 on Thursday, 1 October 2015.

DEMATERIALISED SHAREHOLDERS

Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to attend the general meeting, should instruct their CSDP or broker to issue them with the necessary letter of representation to attend the general meeting. Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy, should provide their CSDP or broker with voting instructions, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut-off time or date advised by their CSDP or broker for instructions of this nature. Shareholders, who have any doubt as to the action they should take, should consult their broker, accountant, attorney, banker or other professional advisor immediately.

By order of the Board

Sandra Miller
Company Secretary

11 September 2015

Registered office
2 Keller Street, Windhoek
(PO Box 11363, Windhoek, Namibia)

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TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia
Registration number 2003/058
JSE share code: TTO NSX share code: TUC
ISIN: NA000A0RF067
(“**Trustco**” or “**the Company**”)

FORM OF IRREVOCABLE PROXY

For use by certificated shareholders and dematerialised shareholders with “own name” registration, at the General Meeting of Trustco shareholders to be held at the registered office of the company, 2 Keller Street, Windhoek on Monday, 5 October 2015, commencing at 10:00.

I/We (please print names in full) of

(Address)

Telephone number Cellphone number

Email address

being the holder of (see note 1): shares in Trustco, do hereby irrevocably appoint

1. or failing him/her,

2. or failing him/her

3. the chairman of the meeting,

as my/our proxy to act for me/us at the general meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolution to be proposed thereat and at each adjournment thereof and to vote for and/or against such resolution in respect of the shares registered in my/our name/s in accordance with the following instructions.

	In favour	Against	Abstain
ORDINARY RESOLUTION 1: Approval of the Share Purchase Agreement			
ORDINARY RESOLUTION 2: Authority to Action			

Number of votes **(one vote per ordinary share)**

(Indicate instructions to irrevocable proxy by way of a cross in space provided above). Unless indicated above, my irrevocable proxy may vote as he/she thinks fit.

Signed this day of 2015

Each shareholder is entitled to appoint one or more irrevocable proxies (who need not be shareholders of the Company) to attend, speak and vote on behalf of that shareholder.

Please read the notes on the reverse.

Notes:

1. This form of irrevocable proxy must be used by certificated ordinary shareholders or dematerialised ordinary shareholders who hold dematerialised ordinary shares with "own name" registrations.
2. Dematerialised ordinary shareholders are reminded that the onus is on them to communicate their voting instructions with their Central Securities Depository Participant or broker.
3. A shareholder may insert the name of a irrevocable proxy or the names of two alternative irrevocable proxies (who need not be shareholders of the company) of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting". The person whose name appears first on this form of irrevocably proxy and which has not been deleted will be entitled to act as proxy in priority to those whose names follow. This proxy is irrevocable and cannot be withdrawn once given.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of ordinary shares "the Committed Shares" to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote at the general meeting as he/she deems fit in respect of the shareholder's votes exercisable thereat, but where the proxy is the chairman, failure to so comply will be deemed to authorise the proxy to vote in favour of the ordinary resolution. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy.
5. Forms of irrevocable proxy must be lodged at or be posted to ***In South Africa*** Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown, 2107) and ***In Namibia*** Transfer Secretaries (Proprietary) Limited 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateaux Street) Windhoek (PO Box 2401, Windhoek, Namibia) to be received by no later than 10:00 on Thursday, 1 October 2015.
6. The completion and lodging of this form of proxy will not preclude the shareholder from attending the General Meeting but will preclude the shareholder from voting in person thereat because it is an irrevocable proxy. It cannot be withdrawn once given and the Committed Shares may not be traded once the proxy has been given until after the shareholders meeting.
7. The chairman of the General Meeting may reject or accept any form of proxy not completed and/or received, other than in accordance with these notes, provided that, in respect of the acceptance, the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
8. An instrument of proxy shall be valid for any adjournment of the general meeting as well as for the meeting to which it relates, unless the contrary is stated thereon.
9. The authority (or a certified copy of the authority) of a person signing this form of proxy:

   (a) under a power of attorney; or

   (b) on behalf of a company,

   must be attached to this form of proxy unless the company has already recorded the power of attorney.
10. Where shares are held jointly, at least one of the joint shareholders must sign this form of proxy.
11. A minor must be assisted by his/her guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company.

Hand deliveries to:	**Postal deliveries to:**
In South Africa	***In South Africa***
Computershare Investor Services (Proprietary) Limited	Computershare Investor Services (Proprietary) Limited
Ground Floor, 70 Marshall Street	PO Box 61051
Johannesburg, 2001	Marshalltown, 2107
In Namibia	***In Namibia***
Transfer Secretaries (Proprietary) Limited, (Burg Street entrance opposite Chateaux Street), 4 Robert Mugabe Avenue, Windhoek	Transfer Secretaries (Proprietary) Limited, PO Box 2401, Windhoek, Namibia