

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, throughout this Circular.

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

If you have disposed of all of your Shares in Trustco, then this Circular, together with the attached Notice and form of proxy should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom, you disposed of your Shares.

Shareholders should note that, whilst the entire Circular is important and should be read in its entirety, particular attention should be paid to the section entitled "Action Required By Shareholders" commencing on page 2 of this Circular.

**Trustco does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be concluded thereat.**



## TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia and registered as an external company in South Africa

(Registration number 2003/058)

(External registration number: 2009/002634/10)

JSE share code: TTO NSX share code: TUC ISIN: NA000A0RF067

("Trustco" or "the Company")

## CIRCULAR TO TRUSTCO SHAREHOLDERS

regarding

– **the disposal of a 20% interest in Legal Shield Holdings**

and incorporating

– **the Notice; and**

– **a form of proxy for use by Certificated Shareholders and Dematerialised Own-Name Shareholders only.**

JSE Sponsor



Independent Expert

Effortless  
Corporate  
Finance  
(Pty) Ltd

Reporting Accountant



NSX Sponsor



Date of issue: 5 April 2018

Additional copies of this Circular, in its printed form, may be obtained from the Company and the JSE Sponsor at the addresses set out in the "Corporate Information and Advisors" section of this Circular during normal business hours from the date of this Circular up to and including the date of the General Meeting. Electronic copies of this Circular are available on the Company's website, [www.tgh.na](http://www.tgh.na).

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## CORPORATE INFORMATION AND ADVISORS

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### **Company Secretary and Registered Office of Trustco**

Amanda Bruyns (Admitted as an attorney of  
The High Court of South Africa)  
Trustco House  
2 Keller Street  
Windhoek  
Namibia  
(PO Box 11363, Windhoek, Namibia)  
Website: [www.tgh.na](http://www.tgh.na)  
Place of incorporation: Namibia

### **Date of incorporation in Namibia:**

4 February 2003

### **Date of registration as external company in South Africa:**

11 February 2009

### **South African Transfer Secretaries**

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

### **Namibian Transfer Secretaries**

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

### **JSE Sponsor**

Sasfin Capital Proprietary Limited  
(Registration number 1997/013153/07)  
29 Scott Street  
Waverley, 2090  
(PO Box 9510, Grant Park, 2051)

### **NSX Sponsor**

Simonis Storm Securities Proprietary Limited  
(Registration number 96/421)  
4 Koch Street  
Klein Windhoek  
Namibia  
(PO Box 3970, Windhoek, Namibia)

### **Auditor**

BDO South Africa Incorporated  
(Registration number 1995/002310/21)  
22 Wellington Road  
Parktown, 2193  
(Private Bag X60500, Houghton, 2041)

### **Reporting Accountant**

BDO South Africa Incorporated  
(Registration number 1995/002310/21)  
22 Wellington Road  
Parktown, 2193  
(Private Bag X60500, Houghton, 2041)

### **Independent Expert**

Paul Austin trading as Effortless Corporate Finance  
23 Nicholi Avenue  
Kommetjie, 7970  
Cape Town  
(Postal address same as above)

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## ACTION REQUIRED BY SHAREHOLDERS

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**The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to the following section on action required by Shareholders.**

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

1. If you have disposed of all of your 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 Shares for you.
2. If you are in any doubt as to what action to take, consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
3. This Circular contains information relating to the Disposal. 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, Namibia on Tuesday, 15 May 2018 commencing at 10:00.

### 1. IF YOU HAVE DEMATERIALISED YOUR 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than 10:00 on Friday, 11 May 2018.

#### 1.2 Other than "own-name" registration

You are entitled to attend in person, or be represented by proxy, at the General Meeting. 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than 10:00 on Friday, 11 May 2018.

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## IMPORTANT DATES AND TIMES

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**The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to the following section on important dates and times.**

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**2018**

Record date to determine which Shareholders are entitled to receive this Circular	Thursday, 29 March
Circular posted to Shareholders and Notice convening the General Meeting published on SENS on	Thursday, 5 April
Last Day to Trade Shares in order to be recorded in the Namibian Share Register to vote at the General Meeting (see note 5 below)	Monday, 30 April
Last Day to Trade Shares in order to be recorded in the South African Share Register to vote at the General Meeting (see note 5 below)	Monday, 30 April
Record Date for Shareholders to be recorded in the Register in order to be eligible to vote at the General Meeting	Friday, 4 May
Forms of proxy for Shareholders recorded on the Register to be received by the South African Transfer Secretaries and by the Namibian Transfer Secretaries by 10:00 on	Friday, 11 May
General Meeting to be held at 10:00 on	Tuesday, 15 May
Results of General Meeting published on SENS on	Tuesday, 15 May

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**Notes:**

1. The above dates and times are subject to amendment. Any such amendment will be published on SENS.
2. A form of proxy not lodged with the Transfer Secretaries may be handed to the chairman of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.
3. If the General Meeting is adjourned or postponed, a form of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. If the General Meeting is adjourned or postponed then forms of proxy that have not yet been submitted should be lodged with the Transfer Secretaries preferably by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairman of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Shareholder at the adjourned or postponed General Meeting.
5. Shareholders should note that, as transactions in Shares are settled in the electronic settlement system used by Strate, the settlement of the trade takes place three Business Days after such trade on the Registers. Therefore, Shareholders who acquire Shares after the Last Day to Trade will not be eligible to vote at the General Meeting.
6. All times given in this Circular are specified as either local times in Namibia or South Africa. Any reference to local times will apply to the country in which the action is required.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, the annexures hereto, the Notice and form of proxy, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

<b>“Addendum to the Agreement of the Buckley Specific Repurchase”</b>	the addendum entered into between Trustco and/or Trustco Life and the Buckley Repurchase Sellers on 23 November 2016;
<b>“Addendum to the Huso Share Purchase Agreement”</b>	the addendum to the Huso Share Purchase Agreement entered into between the Huso Parties on 17 November 2016, governing the terms and conditions of the Amendments to the Huso Transaction which terms were approved in general meeting on 13 June 2017;
<b>“Addendum to the Sale of Shares Agreement”</b>	the addendum to the Sale of Shares Agreement entered into between Trustco, LSH and the Purchaser on 13 February 2018, in terms of which the date of fulfilment for the Suspensive Condition was extended from 31 March 2018 to 30 April 2018;
<b>“Agreement of the Buckley Specific Repurchase”</b>	the agreement of sale entered into between the Trustco and/or Trustco Life and the Buckley Repurchase Sellers on 14 October 2016, governing the terms and conditions of the Buckley Specific Repurchase which terms were approved in general meeting on 14 February 2017;
<b>“Agreement of the Riskowitz Issue of Shares for Cash”</b>	the loan and loan conversion agreement resulting in the Riskowitz Issue of Shares for Cash entered into between Trustco and Riskowitz on 6 July 2017;
<b>“Amendment to the Memorandum and Articles of Association of Legal Shield Holdings”</b>	the amendment to the Memorandum and Articles of Association of Legal Shield Holdings concluded on 15 March 2018. A summary of the provisions of this amendment is set out in paragraph 2.6 of this Circular;
<b>“Amendments to the Huso Transaction Circular”</b>	the circular to Shareholders dated 11 May 2017 regarding amendments to the Huso Transaction;
<b>“Amendments to the Huso Transaction”</b>	the amendments to the Huso Transaction arising from the Addendum to the Huso Share Purchase Agreement;
<b>“Associate(s)”</b>	bears the meaning assigned to this term in the Listings Requirements;
<b>“Board” or “Directors”</b>	the board of directors of Trustco as at the Last Practicable Date whose names are set out on page 11 of this Circular;
<b>“Broker”</b>	a stockbroker as defined in the Financial Markets Act, or its duly authorised nominee;
<b>“Buckley Specific Repurchase Circular”</b>	the circular issued to Shareholders on 12 January 2017;
<b>“Buckley Specific Repurchase”</b>	the acquisition by Trustco and/or Trustco Life or a nominated Subsidiary, of 41 806 778 Shares details of which are set out in the Buckley Specific Repurchase Circular and which transaction was approved by Shareholders in general meeting on 14 February 2017;
<b>“Buckley Repurchase Sellers”</b>	Buckley Capital Partners LP, a Florida foreign limited partnership (Registration number B10000000068) incorporated in accordance with the laws of the USA, and Buckley Capital Advisors LLC, a Florida foreign limited liability company (Registration number L10000037662) incorporated in accordance with the laws of the USA;

<b>“Business Day”</b>	any day other than a Saturday, Sunday or a public holiday in South Africa or Namibia;
<b>“Certificated Shareholders”</b>	Shareholders who hold Certificated Shares;
<b>“Certificated Shares”</b>	Shares represented by share certificates or other physical Documents of Title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
<b>“Cession and Pledge Agreement”</b>	the cession and pledge in security agreement entered into between Trustco and Riskowitz on 27 October 2017;
<b>“Circular”</b>	this bound document, to be issued on Thursday, 5 April 2018, including its annexures, the Notice and the form of proxy;
<b>“Closing Date”</b>	the date on which the Purchaser pays the balance of the Consideration as set out in paragraph 2.3 of this Circular;
<b>“Consideration”</b>	NAD1.2 billion to be paid by the Purchaser to Trustco for the Disposal Shares;
<b>“Conversion Rate”</b>	the USD:Rand conversion rate of USD1 to R13.28;
<b>“CSDP”</b>	a Central Securities Depository Participant that holds in custody and administers securities or an interest in securities and that has been registered as a participant by a licenced central securities depository in terms of the Financial Markets Act;
<b>“Custody Agreement”</b>	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker governing their relationship in respect of Dematerialised Shares held by the CSDP or Broker;
<b>“Dematerialised Own-Name Shareholders”</b>	Dematerialised Shareholders who have instructed their CSDP to hold their Shares in their own name on the sub-register;
<b>“Dematerialised Shareholder”</b>	Shareholders who hold Shares which have been Dematerialised in terms of the requirements of Strate;
<b>“Dematerialised Shares”</b>	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
<b>“Dematerialised” or “Dematerialisation”</b>	the process by which Certificated Shares are converted to, or held in electronic form as uncertificated Shares and are recorded in the sub-register of Shareholders maintained by a CSDP;
<b>“Deposit”</b>	the amount of R600 million received from the Purchaser in terms of the Riskowitz Loan which was applied as a deposit against the Consideration on signing of the Sale of Shares Agreement;
<b>“Disposal”</b>	the disposal by Trustco of the Disposal Shares to the Purchaser for the Consideration;
<b>“Disposal Shares”</b>	20% of the issued share capital of Legal Shield Holdings, being 20 issued shares of Legal Shield Holdings;
<b>“Documents of Title”</b>	share certificates, certified transfer deeds, balance receipts and/or any other physical documents of title pertaining to the Shares in question acceptable to the Board;
<b>“Dr Q van Rooyen”</b>	Dr Quinton van Rooyen, the managing director and controlling shareholder of Trustco;
<b>“Due Diligence”</b>	a due diligence investigation conducted by the Purchaser into the business and affairs of Legal Shield Holdings between 8 January 2018 and 31 January 2018;
<b>“Effective Date”</b>	the day on which the suspensive condition regarding the Sale of Shares Agreement, set out in paragraph 2.4.1 of this Circular, is met;

<b>“EPS”</b>	basic earnings per Share;
<b>“Financial Effects”</b>	the <i>pro forma</i> financial effects of the Disposal, details of which are set out in paragraph 7 and Annexure 3 of this Circular;
<b>“Financial Markets Act”</b>	the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
<b>“General Meeting”</b>	the General Meeting of Shareholders to be held at 10:00 on Tuesday, 15 May 2018 at the registered office of Trustco, 2 Keller Street, Windhoek, Namibia, to consider and if deemed fit, to approve, with or without modification, the Resolutions set out in the Notice;
<b>“Group”</b>	Trustco and its direct and indirect subsidiaries;
<b>“HEPS”</b>	headline earnings per Share;
<b>“Huso Circular”</b>	the circular to Shareholders dated 11 September 2015 regarding the Huso Transaction;
<b>“Huso Parties”</b>	collectively Trustco, Trustco Resources, Dr Q van Rooyen, Huso, NNDC and Morse;
<b>“Huso Share Purchase Agreement”</b>	the share purchase agreement, dated 14 July 2015, concluded between the Dr Q van Rooyen and Trustco Resources in terms of which Trustco Resources will acquire 100% of the issued share capital of Huso;
<b>“Huso Transaction”</b>	the acquisition by Trustco as amended, through Trustco Resources of the entire issued share capital of Huso;
<b>“Huso”</b>	Huso Investments Proprietary Limited (Registration number 2006/443), a private company incorporated in Namibia on 7 September 2006 in accordance with the laws of Namibia. As at the Last Practicable Date, Dr Q Van Rooyen was the sole shareholder of Huso;
<b>“IFRS”</b>	International Financial Reporting Standards formulated by the International Accounting Standards Board, from time to time;
<b>“Independent Board”</b>	the Board as defined, excluding Mr Jabu Mahlangu;
<b>“Independent Expert’s Report on the Disposal”</b>	the independent fairness opinion provided by the Independent Expert regarding the Disposal, as set out in Annexure 1 of this Circular;
<b>“Independent Expert” or “Effortless”</b>	Paul Austin trading as Effortless Corporate Finance;
<b>“Insurance Segment”</b>	refers to the Namibian Insurance Segment of Trustco, including subsidiaries of Legal Shield Holdings, being Trustco Life; Trustco Insurance, Trustco Re-Insure and Trustco Estate Planners and Administrators;
<b>“Interest Rate”</b>	the prevailing prime rate of interest per annum in South Africa from time to time plus 1% which interest shall be calculated daily and compounded monthly in arrears on the basis of the actual number of days elapsed and a 365 day year, whether or not the year is a leap year;
<b>“Interim Results”</b>	the unaudited condensed consolidated interim report of Trustco for the six months ended 30 September 2017 published on SENS on Thursday, 7 December 2017;
<b>“Investments Segment”</b>	refers to the Insurance Segment’s investment subsidiaries which includes the entire property division, media division and air services division;
<b>“Irrevocable Undertaking”</b>	the irrevocable undertaking provided by Dr Q van Rooyen dated 28 November 2017 to vote in favour of the Disposal as detailed in paragraph 10 of this Circular;
<b>“JSE Sponsor” or “Sasfin Capital”</b>	Sasfin Capital Proprietary Limited (Registration number 1997/013153/07), a private company incorporated in accordance with the laws of South Africa;



<b>“JSE”</b>	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licenced as an exchange under the Financial Markets Act;
<b>“Last Day to Trade”</b>	Monday, 30 April 2018 for both the Namibian Share Register and the South African Share Register, being the last day to trade in Shares in order to be reflected in the Register on the Record Date;
<b>“Last Practicable Date”</b>	Thursday, 22 March 2018, being the last practicable date prior to the finalisation of this Circular;
<b>“Legal Shield Holdings” or “LSH”</b>	Legal Shield Holdings Proprietary Limited, (Registration number 2006/399), a company incorporated in accordance with the laws of Namibia and a wholly-owned subsidiary of Trustco;
<b>“Listings Requirements”</b>	the JSE Limited Listings Requirements, as amended from time to time;
<b>“Management Accounts”</b>	the management accounts of Legal Shield Holdings for the six-month period ended 30 September 2017;
<b>“Morse”</b>	Morse Investments Proprietary Limited (Registration number 2006/255), a private company incorporated in accordance with the laws of Namibia. Morse is a licenced diamond processing and polishing factory located in Windhoek. Dr Q van Rooyen owns 100% of the issued share capital of Morse as at the Last Practicable Date and has warranted in terms of clause 6.2.1 of the Huso Share Purchase Agreement that he will transfer his entire shareholding in Morse to Huso by the closing date of the Huso Transaction;
<b>“NAD”</b>	a Namibian dollar which is equivalent to one Rand;
<b>“Namibia”</b>	the Republic of Namibia;
<b>“Namibian Companies Act”</b>	the Namibian Companies Act, 2004 (Act 28 of 2004), as amended;
<b>“Namibian Share Register”</b>	the register of Shareholders maintained in Namibia;
<b>“Namibian Transfer Secretaries”</b>	Transfer Secretaries Proprietary Limited (Registration number 93/713), a private company incorporated in accordance with the laws of Namibia;
<b>“Suspensive Condition”</b>	the suspensive condition to the Disposal as set out in paragraph 2.4.1 of this Circular;
<b>“NAVPS”</b>	net asset value per share;
<b>“Next Investments”</b>	Next Investments Proprietary Limited (Registration number 2005/396), a private company incorporated in Namibia on 4 August 2005 in accordance with the laws of Namibia. Dr Q Van Rooyen is the sole shareholder of Next Investments;
<b>“Next Investments Management Agreement”</b>	the memorandum of agreement between Trustco, Next Investments and Dr Q Van Rooyen signed on 12 August 2012 in terms of which Next shall appoint certain managers of Trustco for an agreed upon compensation;
<b>“NNDC”</b>	Northern Namibia Development Company Proprietary Limited (Registration number 90/439), a private diamond mining and exploration company incorporated in Namibia on 20 August 1990 in accordance with the laws of Namibia, and a wholly-owned subsidiary of Huso;
<b>“Notice”</b>	the notice of General Meeting forming part of this Circular in terms of which the General Meeting is convened;
<b>“NSX Sponsor” or “Simonis Storm”</b>	Simonis Storm Securities Proprietary Limited (Registration number 96/421), a private company incorporated in accordance with the laws of Namibia;
<b>“NSX”</b>	Namibian Stock Exchange, licenced 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;

<b>“NTAVPS”</b>	net tangible asset value per share;
<b>“Rand” or “R”</b>	South African Rand;
<b>“Record Date”</b>	Friday, 4 May 2018, being the date on which Shareholders must be recorded in the Register in order to vote at the General Meeting;
<b>“Register”</b>	collectively the Namibian Register and the South African Register maintained by the Transfer Secretaries;
<b>“Reporting Accountant” or “BDO”</b>	BDO South Africa Incorporated, (Registration number: 1995/002310/21) a partnership incorporated in accordance with the laws of South Africa;
<b>“Resolutions”</b>	the resolutions contained in the Notice, which will be tabled at the General Meeting and in terms of which Shareholders will, subject to the passing thereof, approve the Disposal;
<b>“Riskowitz” or the “Purchaser”</b>	Riskowitz Value Fund LP, a New York-based partnership registered in accordance with the laws of Delaware, USA;
<b>“Riskowitz Associates”</b>	<p>the associates of Riskowitz, having the same general partner namely Riskowitz Capital Management LLC which is ultimately controlled by Mr Sean Riskowitz who is also the Chief Executive Officer of Conduit Capital Limited. The Riskowitz Associates, together with their respective shareholdings in the Shares of Trustco are listed below:</p> <ul style="list-style-type: none"> <li>• Ithuba Investments LP, holding 127 806 103 (15.45%) Shares, a USA-based limited partnership which is controlled by Riskowitz Capital Management LLC;</li> <li>• Conduit Capital Limited, a JSE listed company with its single biggest shareholder being Riskowitz and Ithuba Investments LP jointly holding 33.68% in Conduit, with the following five wholly-owned subsidiaries holding the respective shareholdings in Trustco: <ul style="list-style-type: none"> <li>– Snowball Wealth Proprietary Limited, holding 30 604 785 (3.70%) Shares;</li> <li>– Constantia Insurance Company Limited, holding 9 323 377 (1.13%) Shares;</li> <li>– Midbrook Lane Proprietary Limited, holding 12 402 902 (1.50%) Shares;</li> <li>– Constantia Life Limited holding 612 230 (0.07%) Shares; and</li> <li>– Constantia Life and Health Assurance Company Limited holding 447 137 (0.05%) Shares;</li> </ul> </li> </ul>
<b>“Riskowitz Issue of Shares for Cash Circular”</b>	the circular issued to Shareholders on 26 September 2017;
<b>“Riskowitz Issue of Shares for Cash”</b>	the conversion of a loan of R250 million from Riskowitz to Trustco into 58 823 529 new Shares at an issue price of NAD4.25 per Share, details of which are set out in the Riskowitz Issue of Shares for Cash Circular and which transaction was approved by Shareholders in general meeting on 26 October 2017;
<b>“Riskowitz Loan Agreement”</b>	a loan agreement entered into between Riskowitz and Trustco on 27 October 2017;
<b>“Riskowitz Loan”</b>	a loan of up to USD60 million (sixty million Dollars), or the equivalent amount converted at the Conversion Rate, made by Riskowitz to Trustco, governed by the Riskowitz Loan Agreement;
<b>“SAICA Guide”</b>	the Guide on <i>Pro Forma</i> Financial Information issued by the South African Institute of Chartered Accountants;

<b>“Sale of Shares Agreement”</b>	the sale of shares agreement entered into between Trustco and the Purchaser on 24 November 2017, governing the terms and conditions of the Disposal;
<b>“SENS”</b>	the Stock Exchange News Service operated by the JSE;
<b>“Second Addendum to the Sale of Shares Agreement”</b>	the second addendum to the Sale of Shares Agreement entered into between Trustco, LSH and the Purchaser on 15 March 2018, in terms of which the date of fulfilment for the Suspensive Condition was extended from 30 April 2018 to 31 May 2018 and the suspensive condition for the parties to enter into a shareholders’ agreement was waived as LSH’s Memorandum and Articles of Association was amended, to the extent required, to record the rights and obligations of each of the Company and the Purchaser as LSH’s shareholders. A summary of the provisions of these amendments is set out in paragraph 2.6 of this Circular;
<b>“Shareholders”</b>	holders of Shares;
<b>“Shares”</b>	ordinary shares of Trustco with a par value of NAD0.23 each in the issued share capital of Trustco of which there were 827 142 090 in issue at the Last Practicable Date;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“South African Companies Act”</b>	the Companies Act, 2008 (Act 71 of 2008), as amended;
<b>“South African Share Register”</b>	the register of Shareholders maintained in South Africa;
<b>“South African Transfer Secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07) a private company incorporated in accordance with the laws of South Africa;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa and which manages the electronic settlement and clearing system used by the JSE;
<b>“Subsidiary”</b>	a subsidiary as defined in the Namibian Companies Act;
<b>“Transfer Secretaries”</b>	collectively the Namibian Transfer Secretaries and the South African Transfer Secretaries;
<b>“Trustco”, “Company” or “Seller”</b>	Trustco Group Holdings Limited (Registration number 2003/058), a public company incorporated in accordance with the laws of Namibia, the Shares of which are dual-listed with a primary listing on the JSE and a secondary listing on the NSX;
<b>“Trustco Estate Planners and Administrators”</b>	Trustco Estate Planners and Administrators Proprietary Limited (Registration number 2006/290) a private company incorporated in accordance with the laws of Namibia and a wholly-owned subsidiary of Legal Shield Holdings;
<b>“Trustco Insurance”</b>	Trustco Insurance Limited, (Registration number 99/208), a public company incorporated in accordance with the laws of Namibia and a subsidiary of Legal Shield Holdings. Legal Shield Holdings owns 99.99% of Trustco Insurance;
<b>“Trustco Life”</b>	Trustco Life Limited, (Registration number 2004/046), a public company incorporated in accordance with the laws of Namibia and a subsidiary of Legal Shield Holdings. Legal Shield Holdings owns 99.99% of Trustco Life;
<b>“Trustco Re-Insure”</b>	Trustco Re-Insure Limited (registration number 2014/0593) a public company incorporated in accordance with the laws of Namibia and a subsidiary of Legal Shield Holdings. Legal Shield Holdings owns 99.99% of Trustco Re-Insure;

<b>“Trustco Resources”</b>	Trustco Resources Proprietary Limited (Registration number 2015/0081), a private company incorporated in accordance with the laws of Namibia and a wholly-owned subsidiary of Trustco;
<b>“USA”</b>	the United States of America;
<b>“USD” or “Dollar”</b>	United States Dollar, the currency of the USA; and
<b>“Year End Results”</b>	the audited annual financial statements for the year ended 31 March 2017.



# TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia and registered as an external company in South Africa  
(registration number 2003/058)

(External Registration number: 2009/002634/10)

JSE share code: TTO NSX share code: TUC ISIN: NA000A0RF067

("Trustco" or "the Company")

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## Directors

### Executive

Dr Q van Rooyen (*Group Managing Director*)

Mr FJ Abrahams (*Group Financial Director*)

### Non-executive

\* Adv. R Heathcote SC (*Chairman*)

\* Mr WJ Geyser

\* Mr RJ Taljaard

\* Mr J Mahlangu

\* *Independent*

*All directors are Namibian with the exception of Mr J Mahlangu who is a South African citizen.*

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## CIRCULAR TO SHAREHOLDERS

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### 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

Shareholders are referred to the announcement published on Friday, 24 November 2017, wherein they were advised that Trustco and the Purchaser had entered into the Sale of Shares Agreement, which gave effect to the Disposal.

In terms of the Disposal, Trustco will dispose of the Disposal Shares to the Purchaser for the Consideration.

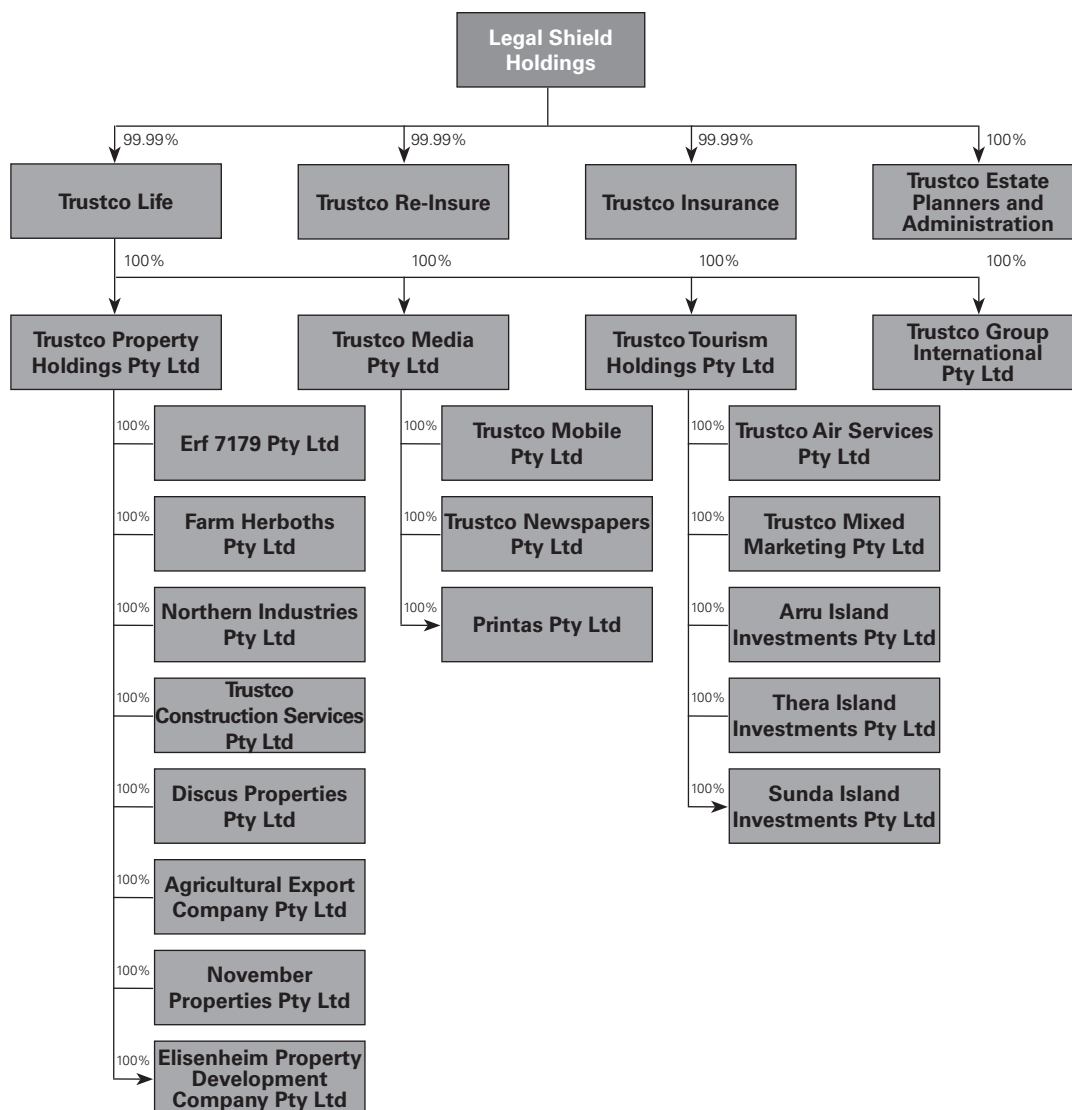
The purpose of this Circular is to provide Shareholders with the requisite information in accordance with the Listings Requirements regarding the Disposal to enable Shareholders to make an informed decision as to how they will vote in respect of the Resolutions set out in the Notice incorporated in this Circular.

### 2. THE DISPOSAL

#### 2.1 Background

Trustco's subsidiary Legal Shield Holdings controls the Insurance Segment and the Investments Segment of the Insurance Segment. Trustco, Legal Shield Holdings and the Purchaser entered into the Sale of Shares Agreement on Friday, 24 November 2017 which governs the terms of the Disposal. Further to this, the Company, Legal Shield Holdings and the Purchaser concluded the Addendum to the Sale of Shares Agreement, in order to extend the date for fulfilment of the Suspensive Condition to 30 April 2018. The Second Addendum to the Sale of Shares Agreement was concluded on 15 March 2018, in order to further extend the date for fulfilment of the Suspensive Condition to 31 May 2018.

The Legal Shield Holdings group structure is set out below:



The Insurance Segment includes Trustco Life and Trustco Insurance which hosts the long- and short-term insurance licence. The insurance products includes, *inter alia*, the “Next Generation Legal Shield”, “Business Shield”, and other benefits (Hospital, Income protector and dread disease benefits) and the life products includes, *inter alia*, the funeral policies, “KMC products” (Khomas Medical Centre) “Yambu life” and “Trustco 4 Life Plus” products.

The Investments Segment (of the Insurance Segment) includes the Trustco properties division, Trustco air services division and the strategic media division. The properties division includes Trustco’s construction division (Trustco Construction Services (Pty) Ltd) and the land bank, currently consisting of Elisenheim Property Development Company (EPDC), Lafrenz Industrial Park (Lafrenz), Northern Industrial Estate (Ondangwa) and Farm Herboth's (Windhoek).

This specifically excludes the Banking and Finance Segment, Education, Shared Services and the Resources Segment which are separate segments of Trustco.

## 2.2 Rationale

The Disposal will not result in a change in the control of Legal Shield Holdings or Trustco.

The Disposal is a consequence of Riskowitz wishing to invest directly in certain specific segments of Trustco which are more suited to certain of Riskowitz’s investment mandates. Riskowitz concurs with management’s view that there is value to be unlocked in, *inter alia*, the property portfolio which holds potential for development in the next 15 to 20 years. The Consideration was agreed between the Seller and Riskowitz on a willing buyer willing seller basis and takes into account the long-term potential of, *inter alia*, the property portfolio. This is supported by the recent approval by the City of

Windhoek Municipality for the development of the remaining portion of the Lafrenz project situated in the industrial hub of Windhoek, as detailed in the SENS announcement published on 16 February 2018. The valuation range of NAD0.57 billion and NAD0.63 billion ascribed to a 20% interest in Legal Shield Holdings by the Independent Expert, details of which are set out in Annexure 1 of this Circular, does not necessarily take this into account.

The Disposal would significantly improve Trustco's liquidity position and the Consideration would be deployed across the Group to accelerate Trustco's growth prospects in other operating segments.

## 2.3 Consideration

The Consideration for the Disposal is NAD1.2 billion and has been/will be paid as follows:

- 2.3.1 on signing of the Sale of Shares Agreement, Trustco applied the Deposit towards the Consideration; and
- 2.3.2 the balance of the Consideration will be paid in cash by the Purchaser to Trustco, which will be the Closing Date of the Disposal. The Closing Date will occur within 12 (twelve) months after the successful conclusion of the Due Diligence.

Any outstanding balance of the Consideration (set out in paragraph 2.3.2) will accrue interest at the Interest Rate from 31 January 2018 until the Closing Date.

Should the Consideration, or any portion of the Consideration, for whatever reason not be paid to Trustco when it becomes due, such outstanding amount shall attract interest at the prime interest rate plus 3% until such time as the outstanding amount is paid.

The Purchaser agrees to pledge 10% of the Disposal Shares back to Trustco from the Effective Date until the date when the balance of the Consideration is paid by the Purchaser to Trustco.

The Consideration will be held as cash reserves and utilised in the normal course of business. Trustco intends to use the Consideration to refinance existing, debt and to grow Trustco Resources into full production to ensure the mining licence is secured and lastly to grow the loan book in the Banking and Finance segments.

## 2.4 Suspensive Condition and Effective Date

### 2.4.1 *Suspensive Condition*

As at the Last Practicable Date, the Disposal was subject to the obtaining all regulatory approvals (including but not limited to all necessary approvals required in terms of the Listings Requirements for a transaction of this nature) which are necessary for the implementation of the Sale of Shares Agreement by no later than 31 May 2018.

### 2.4.2 *Resolutive Condition and Due Diligence*

The Purchaser had the right to complete a due diligence, to its satisfaction, between 8 January 2018 and 31 January 2018. In terms of the Sale of Shares Agreement, the Purchaser would provide the Seller with a notice not later than 31 January 2018, confirming the outcome of the Due Diligence. Should the Purchaser have concluded that the due diligence was not to its satisfaction, the Purchaser was entitled to elect to acquire only 10% of LHS *in lieu* of the Deposit or demand from Trustco to repay the Deposit on or before 31 October 2018.

Notwithstanding the above, the Purchaser provided the Seller with a notice, in writing, on 31 January 2018, confirming the successful outcome of the Due Diligence. Consequently the Purchaser will acquire a 20% interest in LHS, subject to the fulfilment of the suspensive condition set out in paragraph 2.4.1 above.

### 2.4.3 *Effective Date*

The Effective Date of the Disposal will be the day on which the suspensive condition set out in paragraph 2.4.1 above has been fulfilled.

#### 2.4.4 **Adjustment Account and Pre-Acquisition Dividend**

Immediately after the Effective Date, Trustco will procure that the auditors of Legal Shield Holdings prepare an adjustment account as at the Effective Date for the purpose of accounting for all disbursements or payments made by Legal Shield Holdings which are not reflected in the financial statements of Legal Shield Holdings.

In terms of the Sale of Shares Agreement, Legal Shield Holdings will declare a pre-acquisition dividend of up to NAD1.1 billion in favour of Trustco. This pre-acquisition dividend will be paid by Legal Shield Holdings as and when the property debtors book of Elisenheim Property Development Company (Proprietary) Limited unwinds.

Save for the pre-acquisition dividend, all other inter-company loans will be cleared on the Effective Date.

### 2.5 **Riskowitz Loan and the Cession and Pledge Agreement**

#### 2.5.1 **Riskowitz Loan**

Trustco entered into the Riskowitz Loan Agreement on 27 October 2017. The intention of the Riskowitz Loan was to provide Trustco with capital to facilitate growth in Trustco's operations.

The Riskowitz Loan amount was an amount of no less than USD30 million up to USD60 million, or the equivalent amount converted at the Conversion Rate.

A condition of the Riskowitz Loan Agreement was that Trustco pledged in security, the Disposal Shares in favour of Riskowitz.

The Riskowitz Loan was cancelled on 24 November 2017 at the time the Sale of Shares Agreement was entered into and the Riskowitz Loan amount was converted into the Deposit.

The Riskowitz Loan Agreement is available for inspection in accordance with the provisions of paragraph 16 of this Circular.

#### 2.5.2 **The Cession and Pledge Agreement**

In terms of the Cession and Pledge Agreement, entered into on 27 October 2017, as security for the proper and timeous performance by Trustco of all its obligations which it may now, or in the future, have to Riskowitz arising from the Riskowitz Loan Agreement, Trustco pledged the Disposal Shares in *securitatem debiti* to Riskowitz and simultaneously ceded in security all of Trustco's rights (excluding voting rights and rights to dividends), title and interest.

The Cession and Pledge Agreement was cancelled on 24 November 2017 at the time the Sale of Shares Agreement was entered into.

The Cession and Pledge Agreement is available for inspection in accordance with the provisions of paragraph 16 of this Circular.

### 2.6 **Amendment to the Legal Shield Holdings Memorandum and Articles of Association**

In terms of the Second Addendum to the Sale of Shares Agreement, the Purchaser waived its right to enter into a comprehensive shareholders' agreement regulating the rights and obligations of the shareholders of LSH. The parties rather agreed to record the relevant rights and obligations of the parties as LSH shareholders in Legal Shield Holding's Memorandum and Articles of Association.

The Amendment to the Legal Shield Holdings Memorandum and Articles of Association provide for the following:

- the offering first of any shares to be issued, to existing shareholders *pro rata* to their shareholding in LSH before being offered to any other party;
- any shareholder holding at least 20% (nominating shareholder) of the total issued share capital of LSH shall have the right to nominate one director to the board of LSH, which director, once appointed, may be removed or replaced from time to time by such nominating shareholder. The appointment of such director will be subject to the provisions of, *inter alia*, LSH's Memorandum and Articles of Association, the Namibian Companies Act and any further requirements set forth in the Sale of Shares Agreement.



- save as may be agreed between the LSH shareholders from time to time, any dividend will be declared and paid to the shareholders *pro rata* to their shareholding in LSH;
- any shareholder may, on written notice, freely transfer their LSH shares (including any rights and obligations attaching thereto) to a permitted transferee as contemplated in the Amendment to the LSH Memorandum and Articles of Association; and
- save for any transfers to permitted transferees, before any share may be sold or otherwise transferred, the remaining shareholder shall have a right of first refusal to purchase the shares on the terms and conditions set forth in the Amendment to the LSH Memorandum and Articles of Association.

## 2.7 Application of the Listings Requirements

At the time that Trustco and Riskowitz entered into the Sale of Shares Agreement on 24 November 2017, the Disposal was categorised as a Category 2, related party transaction in terms of the Listings Requirements. As Riskowitz, which is a material shareholder of Trustco, is a related party as defined in the Listings Requirements, the Disposal requires Shareholder approval by the passing of an ordinary resolution in general meeting. In accordance with paragraph 10.9(f) of the Listings Requirements, Riskowitz and the Riskowitz Associates will be excluded from voting on Ordinary Resolution Number 1. Riskowitz and the Riskowitz Associates will, however, be taken into account in determining a quorum at the General Meeting.

## 3. BACKGROUND TO LEGAL SHIELD HOLDINGS

Legal Shield Holdings is a wholly-owned subsidiary of Trustco and acts as the holding company for the Namibian Insurance Segment and a portion of the Investments Segment of Trustco's operations.

### 3.1 Insurance Segment

The Insurance Segment continues to be the leader in providing legal insurance to a very large portion of the middle to low income groups in Namibia. The Next Generation Legal Shield product offers quality legal insurance to customers, with added benefits that suit the individual customer's insurance needs. Add-on benefits are underwritten by Trustco Life, the long-term insurance company of the segment, and include funeral benefits, dread disease cover, health insurance and income protection cover. The most innovative benefit option on Trustco 4 Life Plus, a whole life product available since June 2016, is that a customer may claim all premium contributions back after 15 claim-free years.

### 3.2 Investments Segment

The Investments Segment, historically created by excess returns in the insurance operations, has given rise to a diversified portfolio of active investments. The Investments Segment consists of property development assets, air services and strategic media services.

#### 3.2.1 *Properties*

The properties division of the Investments Segment remains active in mixed-use land development. The current land bank consists of four developments known as Elisenheim Property Development, Lafrenz Industrial Park, Northern Industrial Estate and Farm Herboth. Ultimately the developments will supply industrial, commercial and residential serviced stands to the market.

#### 3.2.2 *Air Services*

The air services division of the Investments Segment provides a unique private charter company which specialises in flexible luxury charter flights catering for both business and leisure travellers to the destination of choice.

#### 3.2.3 *Strategic Media Services*

The media services division of the Investments Segment encompasses a newspaper publication, a fully-fledged television department and a brand new radio station.

#### 4. MAJOR SHAREHOLDERS

As at the Last Practicable Date insofar as is known to Trustco, the following Shareholders, other than Directors and their Associates (which are disclosed in paragraph 5.2 below), were, directly or indirectly, beneficially interested in 5% or more of the issued share capital of Trustco.

Shareholder	Total shares held	Shareholding <sup>1</sup> %
Riskowitz	144 420 433	17.46
Ithuba Investments LP	127 806 103	15.45
Conduit Capital Limited	53 390 431	6.45
	<b>325 616 967</b>	<b>39.36</b>

**Notes:**

1. Percentage shareholding calculated based on the total shares in issue of 827 142 090 (of which 44 306 960 Shares were held as treasury shares) as at the Last Practicable Date.

#### 5. DIRECTORS

##### 5.1 Directors' remuneration

Biographical details of the Directors and the Directors' aggregate remuneration and benefits paid to them for the year ended 31 March 2017 are set out on the Year End Results, which can be found on the Company's website at the following url (<https://www.tgh.na/investors/results-centre>).

There will be no changes to the remuneration and benefits paid to the Directors as a result of the Disposal.

##### 5.2 Directors' interest in securities

As at the Last Practicable Date, the direct and indirect beneficial interests of the Directors (including any Associates of the Directors and any director of the Board who resigned during the 18 months preceding the Last Practicable Date) in the share capital of the Company are reflected below:

	Total Shares held	Percentage shareholding <sup>1</sup> %
<b>Executive</b>		
Dr Q van Rooyen	392 554 120	47.46
Mr FJ Abrahams	1 437 170	0.17
Mr R McDougall <sup>2</sup>	35 165	0.00
<b>Non-executive</b>		
Mr W Geyser	97 915	0.01
Adv R Heathcote	1 336 167	0.16
Mr R Taljaard	18 172	0.00
	<b>395 478 709</b>	<b>47.80</b>

**Notes:**

1. Based on 827 142 090 Shares in issue (of which 44 306 960 Shares were held as treasury shares) as at the Last Practicable Date.
2. Mr R McDougall resigned as the financial director with effect from 31 December 2016.
3. There were no other changes in any interests of any of the Directors between the end of the preceding financial year and the Last Practicable Date.
4. All shareholdings held were held directly by the respective Directors.

##### 5.3 Directors' interest in transactions

5.3.1 Save for the transactions listed in paragraphs 5.3.1.1 and 5.3.1.2 below, none of the Directors, including those who resigned in the 18 months preceding the Last Practical Date have any material beneficial, direct or indirect interest in any transactions that were effected by Trustco during the current or immediately preceding financial year; or during an earlier financial year and remain in any respect outstanding or unperformed.

#### 5.3.1.1 *Huso Transaction*

Details of Dr Q van Rooyen's involvement in so far as it pertains to the Huso Transaction, were provided in the Huso Circular and the Amendments to the Huso Transaction Circular.

#### 5.3.1.2 *Mr Jabu Mahlangu*

A non-executive Director of Trustco, Mr Jabu Mahlangu, also serves as a non-executive director of Conduit Capital Limited, a Riskowitz Associate and has for purposes of this Disposal, declared his interest and recused himself from voting on matters relating to the Disposal at relevant Board meetings.

## 6. MATERIAL CONTRACTS

6.1 Other than as disclosed below, to the best knowledge of the Directors, none of the entities comprising the Group, have, either verbally or in writing, entered into any material contracts, being restrictive funding arrangements, and/or a contract entered into otherwise than in the ordinary course of business, either:

- within two years prior to the date of this Circular; or
- at any time and containing any obligation or settlement that is material to the Group at the date of this Circular.

#### 6.1.1 ***Riskowitz Issue of Shares for Cash***

Details of the Riskowitz Issue of Shares for Cash were provided in the Riskowitz Issue of Shares for Cash Circular and will not be elaborated on in this Circular.

#### 6.1.2 ***Huso Transaction***

Details of the Huso Transaction were provided in the Huso Circular and the Amendments to the Huso Circular and will not be elaborated on in this Circular.

#### 6.1.3 ***Buckley Specific Repurchase***

Details of the Buckley Specific Repurchase were provided in the Buckley Specific Repurchase Circular and will not be elaborated on in this Circular.

#### 6.1.4 ***Riskowitz Loan and the Cession and Pledge Agreement***

Details of the Riskowitz Loan Agreement and the Cession and Pledge Agreement have been provided in paragraph 2.5. of this Circular and such agreements are available for inspection in accordance with paragraph 16 of this Circular.

## 7. FINANCIAL EFFECTS

The table below sets out the Financial Effects. The Financial Effects have been prepared for illustrative purposes only, in order to provide information about how the Disposal might have affected the statement of financial position as at 30 September 2017 and statement of comprehensive income for the six months ended 30 September 2017.

Due to their nature, the Financial Effects may not fairly present the financial position, changes in equity, and results or operations of cash flows of Trustco after the Disposal. The preparation of the Financial Effects is the responsibility of the Directors. The Financial Effects have been prepared in accordance with the Listings Requirements and the SAICA Guide. The accounting policies used in compiling the Financial Effects comply with IFRS and are consistent with those applied in compiling the Interim Results.

	<b>Before the settlement of the Buckley Specific Repurchase, Riskowitz Issue of Shares for Cash and the Disposal<sup>1</sup></b>	<b>After the settlement of the Buckley Specific Repurchase and the Riskowitz Issue of Shares for Cash</b>	<b>After the settlement of the Buckley Specific Repurchase, Riskowitz Issue of Shares for Cash and the Disposal<sup>2</sup></b>	<b>After the settlement of the Buckley Specific Repurchase, Riskowitz Issue of Shares for Cash, the Disposal and the Huso Transaction</b>
EPS (cents)	7.11	7.28	6.24	40.52
Fully diluted EPS (cents)	6.55	6.74	5.78	38.95
HEPS (cents)	7.11	7.28	6.24	40.52
Fully diluted HEPS (cents)	6.55	6.74	5.78	38.95
NAVPS (cents)	361.73	334.98	346.96	227.44
NTAVPS (cents)	287.42	265.93	277.91	183.81
Number of Shares in issue as at 30 September 2017 ('000)	772 142	830 966	830 966	1 603 066
Weighted average number of Shares in issue for the six-month period ended 30 September 2017 ('000)	745 806	804 630	804 630	1 576 730
Fully diluted number of Shares in issue for the period ended 30 September 2017 ('000)	809 552	868 376	868 376	1 640 476

**Notes and assumptions:**

1. Extracted from the Interim Results.
2. Prepared on the assumption that the Disposal took place on 1 April 2017 for purposes of the *pro forma* statement of comprehensive income and on 30 September 2017 for purposes of the *pro forma* statement of financial position.
3. The detailed *pro forma* financial information on the Disposal and the notes thereto are set out in Annexure 3 of this Circular.
4. The independent reporting accountant's assurance report on the compilation of the *pro forma* financial information on the Disposal is set out in Annexure 2 of this Circular.

**8. MATERIAL CHANGES**

Save for the information set out in this Circular, there has been no material changes to the financial or trading position of the Group that has occurred since 30 September 2017 until the Last Practicable Date.

**9. INDEPENDENT EXPERT'S REPORT**

As Riskowitz is a related party in terms of the Listings Requirements, the Independent Expert has provided a report on the Disposal which is set out in Annexure 1 of this Circular. The Independent Expert's Report is also available for inspection in accordance with the provisions of paragraph 16 of this Circular.

**10. OPINIONS, RECOMMENDATIONS AND UNDERTAKINGS**

The Independent Expert has advised that it has considered the terms and conditions of the Disposal, and is of the opinion that the terms and conditions of the Disposal are fair to Shareholders. The Independent Expert's Report is set out in Annexure 1 of this Circular.

The Independent Board, has further considered the terms and conditions of the Disposal, and recommends that Shareholders vote in favour of the Resolutions at the General Meeting.

All the Independent Board members, who own Shares in their personal capacity, intend voting in favour of the Resolutions.

The following Shareholder, has provided an irrevocable undertaking to vote in favour of the Disposal:

<b>Shareholder</b>	<b>Irrevocable undertaking to vote in favour of the Disposal Shares held</b>	<b>Percentage of Shares represented by irrevocable undertaking at the General Meeting<sup>1,2</sup></b>
Dr Q van Rooyen	392 554 120	85.86
<b>Total</b>	<b>392 554 120</b>	<b>85.86</b>

**Notes:**

1. In terms of paragraph 10.9(f) of the Listings Requirements, Riskowitz and the Riskowitz Associates are precluded from voting on the Disposal. Consequently, the total number of shares eligible to vote at the General Meeting will be 457 218 163 Shares (excluding treasury Shares).
2. Dr Q van Rooyen has not entered into an agreement with the Purchaser that would deem him to be acting in concert with the Purchaser. Additionally, Dr Q van Rooyen is not a related party to the Disposal and the Disposal does not result in any unusual, vested or other interest or right being created for Dr Q van Rooyen, as contemplated in paragraph 10.1 and 10.2 of the Listings Requirements. Consequently, Dr Q van Rooyen is not precluded from voting on the Disposal.
3. 44 306 960 Shares were held as treasury shares as at the Last Practicable Date.

**11. EXPERTS' CONSENTS**

Each of the JSE Sponsor, NSX Sponsor, Reporting Accountant and Independent Expert have consented in writing to act in the capacities stated and 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 consents prior to publication of this Circular.

**12. LITIGATION STATEMENT**

There are no legal or arbitration proceedings, including any proceedings that are pending or threatening, of which Trustco is aware, which may have, or have had, during the 12 (twelve) months preceding the date of this Circular, a material effect on the financial position of the Group.

**13. EXPENSES**

It is estimated that the total expenses relating to the Disposal will amount to approximately NAD657 858 (costs are exclusive of VAT) and includes the following:

<b>Parties</b>	<b>Estimated amount NAD</b>
JSE Sponsor – Sasfin Capital	350 000
NSX Sponsor – Simonis Storm	20 000
Reporting Accountant – BDO	90 000
Independent Expert – Effortless	68 900
JSE document fees	28 958
Printing and postage	100 000
<b>Total</b>	<b>657 858</b>

**14. NOTICE OF GENERAL MEETING AND VOTING RIGHTS**

**14.1 Notice of General Meeting**

The General Meeting will be held at 10:00 on Tuesday, 15 May 2018 at the registered office of Trustco, 2 Keller Street, Windhoek, Namibia in order to consider the Resolutions required to implement the Disposal.

The Notice convening the General Meeting and a form of proxy for use by Certificated Shareholders and Dematerialised Own-Name Shareholders who are unable to attend the General Meeting, are attached hereto and form part of this Circular.

#### 14.2 Approval and Voting rights

As noted in paragraph 2.7 above, Riskowitz and the Riskowitz Associates will be excluded from voting on the Resolutions. The presence of Riskowitz and the Riskowitz Associates will, however, be taken into account in determining a quorum at the General Meeting.

All Shares rank *pari passu* with each other and at the General Meeting, every Shareholder present or represented by proxy shall have one vote for every Share held.

#### 15. DIRECTORS' RESPONSIBILITY STATEMENT

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

#### 16. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, where applicable, are available for inspection at no charge during normal business hours at the offices of Trustco and that of the JSE Sponsor, whose addresses are set out in the "Corporate Information and Advisors" section of this Circular, from the date of this Circular up and to including the date of the General Meeting:

- the Memorandum and Articles of Association of the Company;
- the Memorandum and Articles of Association of LSH and the Amendment to the Memorandum and Articles of Association of LSH;
- the Memorandum and Articles of Association of Elisenheim, being the Company's major subsidiary;
- Trustco executive directors' service contracts;
- the Sale of Shares Agreement;
- the Addendum to the Sale of Shares Agreement;
- the Second Addendum to the Sale of Shares Agreement;
- the Riskowitz Loan Agreement;
- the Cession and Pledge Agreement;
- the Huso Share Purchase Agreement;
- the Addendum to the Huso Share Purchase Agreement;
- the Agreement of the Buckley Specific Repurchase;
- the Addendum to the Agreement of the Buckley Specific Repurchase;
- the Agreement of the Riskowitz Issue of Shares for Cash;
- Next Investments Management Agreement;
- the Huso Circular;
- the Amendments to the Huso Transaction Circular
- the Buckley Specific Repurchase Circular;
- the Riskowitz Issue of Shares for Cash Circular;
- the signed Independent Expert's Report on the Disposal;
- the signed independent Reporting Accountant's Assurance Report on the Compilation of the *Pro Forma* Financial Information set out in Annexure 2 of this Circular;
- the Management Accounts;
- the signed independent Reporting Accountant's review opinion on the Management Accounts;
- the consent letters referred to in paragraph 11 of this Circular;
- a signed copy of this Circular;

- the irrevocable undertaking referred to in paragraph 10 of this Circular;
- the Interim Results;
- the Year End Results; and
- the annual reports of Trustco for the three years ended 31 March 2015, 31 March 2016 and 31 March 2017.

**17. DOCUMENTS INCORPORATED BY REFERENCE**

The Financial Effects have been incorporated by reference and are available for viewing on the Company's website at <http://www.tgh.na/investors/circulars> and are available for inspection in accordance with the provisions of paragraph 16 above.

**Signed on behalf of all of the Directors in terms of the powers of attorney granted to Mr Floors J Abrahams on 6 March 2018 and 8 March 2018.**

**FJ Abrahams**  
*Executive Director*

Thursday, 22 March 2018  
Windhoek

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## INDEPENDENT EXPERT'S REPORT ON THE DISPOSAL

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The Directors  
Trustco Group Holdings Limited  
2 Keller Street  
Windhoek  
Namibia

22 March 2018

Dear Sirs/Madams

**Fairness Opinion to the directors of Trustco Group Holdings Limited ("Trustco" and/or "the Company") concerning the Disposal by Trustco of 20% of Legal Shield Holdings (Pty) Ltd ("Legal Shield Holdings") for NAD1.2 billion ("Consideration") ("Transaction")**

### 1. INTRODUCTION

Shareholders are referred to the SENS announcements published on 24 November 2017 wherein Trustco shareholders ("Trustco Shareholders") were advised that Trustco and Riskowitz Value Fund LP ("Purchaser") had entered into a sale of shares agreement ("Agreement") in terms of which Trustco will dispose of 20% (twenty percent) of the issued share capital of Legal Shield Holdings, a wholly-owned subsidiary of Trustco for R1.2 billion and that the transaction is subject to suspensive conditions including a due diligence by the Purchaser.

Legal Shield Holdings is a wholly-owned subsidiary of Trustco and acts as the holding company for the Namibian insurance segment and a portion of the investments segment of Trustco's operations. Legal Shield Holdings owns Trustco Life Limited and Trustco Insurance Limited which house the Namibian long-term and short-term insurance licences respectively. The investments segment comprises, *inter alia*, Trustco's property, air services and the strategic media services segments. It specifically excludes the Banking and Finance, Educational business and Resources segments. The sale of a 20% (twenty percent) shareholding in Legal Shield Holdings would not change the control of Legal Shield Holdings or Trustco.

The Disposal is a consequence of Riskowitz wishing to invest in certain specific segments of Trustco which are more suited to Riskowitz investment mandate.

The Disposal would significantly improve Trustco's liquidity position and the Consideration would be deployed across the Group to accelerate Trustco's growth prospects the other operating segments.

In line with Trustco's strategy, this Transaction will provide future investors the opportunity to invest directly into asset classes that are geared to their specific portfolios. This Transaction would significantly increase the available liquidity in Namibia. The Consideration would be deployed across the Trustco group to accelerate growth in the other group segments.

The Consideration for the Transaction will amount to NAD1.2 billion and will be paid as follows:

- On the signature date of the Agreement, Trustco will apply an amount of NAD600 million received from the Purchaser of R600 million as a deposit towards the Consideration ("Deposit"); and
- The balance of the Consideration will be paid by the Purchaser to Trustco within 12 (twelve) months after the successful conclusion of the due diligence which will be completed by no later than 31 January 2018.

The Consideration will be held as cash reserves and utilised in the normal course of business.

The Transaction is subject to the following suspensive condition ("Suspensive Condition"):

- obtaining all regulatory approvals (including but not limited to all necessary approvals required in terms of the JSE Limited Listings Requirements for a transaction of this nature) which are necessary for the implementation of this Agreement on or before 31 May 2018.

The effective date of the Transaction will be the day on which the Suspensive Condition has been fulfilled ("Effective Date").



The value of the net assets and profits attributable to Legal Shield Holdings (“Net Assets”) as at 31 March 2017, being Legal Shield Holdings’ most recent year-end was NAD2 082 184 000 and NAD644 132 000 respectively. This financial information has been extracted from the annual financial statements for the year ended 31 March 2017. The value of the net assets and profits attributable to Legal Shield Holdings (“Net Assets”) as at 30 September 2017, being Legal Shield Holdings’ most recent interim financials was NAD2 107 818 000 and NAD 25 634 000 respectively. This financial information has been extracted from the unaudited consolidated Management accounts for the period ended 30 September 2017. It is further agreed by Trustco and the Purchaser that Legal Shield Holdings will have the right to declare a dividend of up to NAD1.1 billion, prior to the Effective Date.

Based on the Consideration for the Transaction, and the fact that the Purchaser is a related party to the Company, the Transaction is a Category 2, related party, transaction requiring the approval of Shareholders. Accordingly, paragraph 10.4(f) of the LR’s requires that the Company obtain a fairness opinion from an independent professional expert acceptable to the JSE, confirming that the terms of the Transaction are fair as far as Shareholders are concerned. The Company has therefore appointed Paul Austin, trading as Effortless Corporate Finance, as the independent professional expert to advise the Company in this regard.

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

## 2. DEFINITION OF FAIRNESS

In terms of Schedule 5 of the Listings Requirements fairness is primarily based on quantitative issues. For illustrative purposes, in the case of a transaction for the disposal of assets for cash the purchase price may be said to be fair if the price is equal to or greater than the value of the price being received for the assets.

## 3. SOURCE DOCUMENTATION AND INFORMATION CONSIDERED

We have considered all the following information that is relevant to the value of the ordinary shares in Legal Shield Holdings:

- information on Trustco and Legal Shield Holdings, including the history, the nature of business, services, key customers, industry and competitors;
- SENS announcements and agreements relating to the Transaction;
- share price, the volume of trading and other share trading statistics of Trustco and other listed investments on the JSE;
- the annual financial statements including the annual report of Legal Shield Holdings for the years ended 31 March 2017, 2016 and 2015;
- property valuations performed by registered property valuers and used in the preparation of the audited annual financial statements;
- management budgets and forecasts for Legal Shield Holdings;
- discussions with the executive directors of Trustco;
- the details relating to Transaction;
- discussions with directors of Trustco, including discussions regarding the rationale for and the perceived benefits to be obtained from the Transaction; and
- operating costs and capital expenditure for Legal Shield Holdings.

## 4. PROCEDURES

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

- Prepared a valuation in accordance with generally accepted valuation approaches and methods. We have prepared the valuation of the major operating assets of Legal Shield Holdings 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;

- Reviewed the independent reports for the property valuations performed by independent valuers 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;
  - the appropriateness of the work ensuring that the methodology is acceptable.
  - Having considered the above, we tested these valuations, we are satisfied with the valuations and we agree with the valuations;
- Reviewed the terms of the Transaction;
- Considered information made available by and from discussions held with the management and directors of Trustco;
- Considered the rationale for the Transaction;
- Considered the valuation of Trustco that we prepared; and
- Conducted an appropriate sensitivity analysis given a reasonable range of key assumptions on the valuations mentioned above. Sensitivity analysis conducted included, *inter alia*, inflation rates, growth rates and interest rates. A sensitivity analysis was conducted based on historical trends and market forecasts. Various scenarios were evaluated and analysed to determine the effects of changes in these variables. The historical analysis of these factors reflects stability and not too 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 in the growth rate of revenue gives a 7.6% increase in the valuation,
- the Fair Rate of Return – a 1% drop in the fair rate of return from 14.2% to 13.2% resulting in a 7.6% increase in the valuation; and
- the margin – a 1% improvement from 42.6% to 43.6% resulting in a 3.3% increase in valuation.

We identified the following internal and external key value drivers:

#### **Fair rate of return**

The fair rate of return is a key value driver with both internal and external elements. We used a fair rate of return of 13.2% in the valuation.

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:

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

**Risk Free Rate** on long dated government bonds of 7.6% was utilised.

**Systematic risk premium** 8% per annum was considered appropriate.

#### **Unsystematic risk premium**

This premium utilised was 1% 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.

#### **Revenue growth**

Revenue growth is a key internal value driver. Revenue is budgeted to drop by 9.9% in the year ended 31 March 2018 (2017: 7.4% growth) and the budget for the years ended 31 March 2019, 2020 and 2021 shows growth of 10%. We used growth of 8% for the later years.

## **Margin**

The margin is a key internal value driver. The margin of expenses and cost of sales relative to revenue is 42.6% (2017: 70.9%) for the year ended 31 March 2018. We used a margin of 42.6% for 2018 and beyond.

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 as above;
- Tax, at the corporate tax rate of 32% after the tax losses were utilised; and
- Working capital, cash and capital expenditure requirements have been assumed to remain in line with historical trends.

## **5. 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 this opinion;
- Considering the opinions of independent professionals, e.g. 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 Trustco. We have relied on the audit reports. We reviewed the source documentation and information considered in paragraph 3 above for reasonableness and consistency. We express no opinion on this information.

## **6. VALUATION**

- 6.1 We have performed valuations using the Discounted Cash Flow Models of Legal Shield Holdings to determine whether the proposed Transaction 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.
- 6.2 A sensitivity analysis was performed considering key assumptions relating to revenue growth, the fair rate of return and the margin in arriving at the valuation range. The valuation involved a stress test and sensitivity analysis on the key value drivers.

## **7. INDEPENDENCE, COMPETENCE AND LIMITING CONDITIONS**

- 7.1 We confirm that Effortless Corporate Finance has no independence issues relating to directorships, employment, owning shares, management and fees earned in Trustco or related parties.
- 7.2 We confirm that Effortless Corporate Finance and the directors responsible for this assignment have the necessary competencies relating to internal control systems, quality control, experience and qualifications.
- 7.3 We confirm that we have no financial interest and no relationship in Trustco, the Transaction or related parties. Furthermore, we confirm that our professional fees are not contingent upon the success of the Transaction and amount to R69 800 payable in cash.
- 7.4 We confirm that the scope of our procedures and work performed were not subject to any limiting conditions.

- 7.5 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.
- 7.6 The effect of the Transaction 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 Transaction, considering their personal circumstances.

## 8. **OPINION**

We have evaluated the Transaction and have found that it is fair.

The Transaction price of NAD1.2 billion for 20% of Legal Shield Holdings Limited is above our core valuation of NAD0.57 billion and above our valuation range of between NAD0.57 billion and NAD0.63 billion. Management explained this premium relates to an amount that the purchaser is paying for the development of the significant land bank of Trustco which will be developed in the next 20 years and generate earnings and revenue. On SENS on 16 February 2018, Trustco announced a rezoning that would increase the net assets and budgeted sales of Legal Shield Holdings and this is an example of how the value of this land bank crystallises.

## 9. **CONSENT**

We consent that this opinion may be included, in whole or in part, in any required regulatory announcement or documentation such the circular to be dated Thursday, 5 April 2018.

Yours faithfully

**Paul Austin trading as Effortless Corporate Finance**

23 Nicholi Avenue

Kommetjie

7975

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**REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE  
PRO FORMA FINANCIAL INFORMATION INCLUDED IN THIS CIRCULAR**

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The Directors  
Trustco Group Holdings Limited  
2 Keller Street  
Windhoek  
Namibia

22 March 2018

Dear Sirs

**REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT ON TRUSTCO GROUP HOLDINGS  
LIMITED****Introduction**

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Trustco Group Holdings Limited ("Trustco" or the "Company"), by the directors, consisting of the *pro forma* statement of financial position as at 30 September 2017 and the *pro forma* statement of comprehensive income for the period ended 30 September 2017 and related notes (the "*Pro Forma* Financial Information") as set out in paragraph 7 and Annexure 3 of the circular issued by Trustco, to be dated Thursday, 5 April 2018. The *Pro Forma* Financial Information has been compiled by the directors on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements (the "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 corporate action or event, described as the disposal of 20% of the shares held by Trustco in Legal Shield Holdings Proprietary Limited ("Legal Shield" or the "Company") to Riskowitz Value Fund LLP ("Riskowitz Value Fund"), a related party to Trustco as defined in the JSE Listings Requirements, for a consideration of NAD1.2 billion (the "Disposal") on the group's financial position as at 30 September 2017 and the group's financial performance for the period then ended, as if the Disposal had taken place on 30 September 2017 for purposes of the statement of financial position and on 1 March 2017 for purposes of the statement of comprehensive income.

As part of this process, information relating to Trustco's financial position and financial performance has been extracted by the directors from Trustco's published interim results for the year ended 30 September 2017 ("Published Financial Information"). The results were not audited by an independent auditor.

**Directors' responsibility**

The directors of Trustco (the "Directors") are solely responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information in terms of the JSE Listings Requirements as described in paragraph 7 and Annexure 3 of the circular, and for the financial information from which it has been prepared.

Their responsibility includes determining that:

- The *Pro forma* Financial Information contained in the Circular has been properly compiled on the basis stated;
- The basis is consistent with the accounting policies of Trustco; and
- The *pro forma* adjustments are appropriate for the purposes of the *Pro forma* Financial Information as disclosed in terms of the JSE Listings Requirements.

## Quality control

The firm applies International Standard on Quality Control 1 (“ISQC 1”) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Independence and other ethical requirements

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

## 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 historical financial information used in compiling the *Pro Forma* Financial Information. In addition, we have not performed an audit or review of the financial information used in compiling 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 Prospectus*, 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.

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

As the purpose of *Pro Forma* Financial Information included in a circular 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 as at 30 September 2017 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 involved in 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.

Our procedures selected depend on our judgement, 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 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 3.

Per: **Nick Lazanakis**  
*Chartered Accountant (SA)*

**BDO South Africa Incorporated**  
22 Wellington Road  
Parktown  
2193

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## FINANCIAL EFFECTS

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All terms defined in the Circular into which this Annexure 3 has been incorporated by reference shall bear the same meanings in this Annexure 3.

The *pro forma* consolidated statement of comprehensive income and statement of financial position, before and after the Disposal, are the responsibility of the Directors and have been prepared for illustrative purposes only and, because of its nature, may not fairly present Trustco's financial position, changes in equity, results of operations or cash flows.

The independent reporting accountant's assurance report on the compilation of *pro forma* financial information is set out in Annexure 2 of this Circular.

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 2017 and the Interim Results. The *pro forma* figures have been given no greater prominence than unadjusted financial figures, and are presented in a manner consistent with both the format and accounting policies adopted in the historical financial information. 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 Disposal, have been prepared to illustrate the effect of the Disposal on the assumption that for statement of comprehensive income purposes, they were effective on 1 April 2017 and for statement of financial position purposes, they were effective on 30 September 2017.

This annexure addresses the disclosure requirement for the Financial Effects. The Financial Effects have been incorporated by reference as contemplated in paragraph 11.61 of the Listings Requirements and noted in paragraph 17 of this Circular. The full Financial Effects can be accessed on the Company's website using the following link: <http://www.tgh.na/investors/circulars>.





# TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia and registered as an external company in South Africa  
(Registration number 2003/058)

(External registration number: 2009/002634/10)

JSE share code: TTO NSX share code: TUC ISIN: NA000A0RF067

("Trustco" or "the Company")

## NOTICE OF GENERAL MEETING OF TRUSTCO SHAREHOLDERS

Where appropriate and applicable, the terms defined in this Circular to which this Notice is attached and forms part, bear the same meanings in this Notice, and in particular in the Resolutions set out below.

**NOTICE IS HEREBY GIVEN** that the General Meeting will be held at 10:00 on Tuesday, 15 May 2018 at the registered office of Trustco, 2 Keller Street, Windhoek, Namibia, to consider, and, if deemed fit, to pass, with or without modification, the Resolutions set out below.

### IMPORTANT DATES TO NOTE

**2018**

Record date to determine which Shareholders are entitled to receive this Circular	Thursday, 29 March
Circular posted to Shareholders and Notice convening the General Meeting published on SENS on	Thursday, 5 April
Last Day to Trade Shares in order to be recorded in the Namibian Share Register to vote at the General Meeting	Monday, 30 April
Last Day to Trade Shares in order to be recorded in the South African Share Register to vote at the General Meeting	Monday, 30 April
Record Date for Shareholders to be recorded in the Register in order to be eligible to vote at the General Meeting	Friday, 4 May
Forms of proxy for Shareholders recorded on the Register to be received by the South African Transfer Secretaries and by the Namibian Transfer Secretaries by 10:00 on	Friday, 11 May
General Meeting to be held at 10:00 on	Tuesday, 15 May
Results of General Meeting published on SENS on	Tuesday, 15 May

#### 1. Ordinary Resolution Number 1 – Approval of the Disposal

**"Resolved that** the Disposal be and is hereby approved."

##### **Explanatory note**

The Disposal requires Shareholder approval by the passing of an ordinary resolution in general meeting. In accordance with paragraph 10.9(f) of the Listings Requirements, the Purchaser and the Riskowitz Associates will be excluded from voting on Ordinary Resolution Number 1. Riskowitz and the Riskowitz Associates will, however, be taken into account in determining a quorum at the General Meeting.

##### **Voting requirement**

Ordinary Resolution Number 1 to be adopted at this General Meeting requires the support of a simple majority, which is more than 50% of the voting rights exercised on the Ordinary Resolution Number 1.

## 2. **Ordinary Resolution Number 2 – Authority granted to directors**

**“Resolved that** each director of Trustco be and is hereby individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of both of the Resolutions passed at the General Meeting.”

### **Explanatory note**

The adoption of Ordinary Resolution Number 2 will authorise any director of the Company to execute all documents and do all such further acts and things as he may in his discretion consider appropriate to implement and give effect to the Resolutions set out in this Notice.

### **Voting requirement**

Ordinary Resolution Number 2 to be adopted at this General Meeting requires the support of a simple majority, which is more than 50% of the voting rights exercised on Ordinary Resolution Number 1.

### **VOTING AND IRREVOCABLE PROXIES**

Certificated Shareholders and Dematerialised Own-Name Shareholders who are unable to attend the General Meeting but who wish to be represented there at, are required to complete and return the attached form of proxy, to either the South African Transfer Secretaries, Computershare, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than 10:00 on Friday, 11 May 2018.

### **DEMATERIALIZED SHAREHOLDERS**

Shareholders who have Dematerialised their Shares, 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, 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

**Amanda Bruyns**

*Company Secretary*

Windhoek

Thursday, 22 March 2018

### **Registered office**

2 Keller Street, Windhoek, Namibia

### **Transfer secretaries (South Africa)**

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

### **Transfer Secretaries (Namibia)**

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



# TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia and registered as an external company in South Africa

(Registration number 2003/058)

(External registration number: 2009/002634/10)

JSE share code: TTO NSX share code: TUC ISIN: NA000A0RF067

("Trustco" or "the Company")

## FORM OF PROXY

Where appropriate and applicable the terms defined in this Circular to which this form of proxy is attached forms part of and shall bear the same meanings in this form of proxy.

For use by Certificated Shareholders and Dematerialised Own-Name Shareholders, registered as such at the close of business on the Record Date, at the General Meeting to be held 10:00 on Tuesday, 15 May 2018 at the registered office of Trustco, 2 Keller Street, Windhoek, Namibia or any postponement or adjournment thereof.

Dematerialised Shareholders who have not selected "own name" registration must not complete this form. They must inform their Broker or CSDP timeously of their intention to attend and vote at the General Meeting or be represented by proxy thereat in order for the Broker or CSDP to issue them with the necessary letter of representation to do so or provide the Broker or CSDP timeously with their voting instructions should they not wish to attend the General Meeting in order for the Broker or CSDP to vote in accordance with their instructions at the General Meeting.

I/We

(full name/s in block letters) of (address)

Telephone work ( )

Telephone home ( )

Cellphone number

Email address

being the holder/custodian of  Shares of the Company, hereby appoint (see note):

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the General Meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the General Meeting convened for purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions to be proposed thereat and at each postponement or adjournment thereof, and to vote for and/or against such Resolutions, and/or to abstain from voting for and/or against the Resolutions, in respect of the Shares registered in my/our name in accordance with the following instructions:

	Number of shares		
	For	Against	Abstain
<b>Ordinary Resolution Number 1</b>			
Approval of the Disposal			
<b>Ordinary Resolution Number 2</b>			
Authority granted to the Directors			

Please indicate instructions to the proxy in the space provided above by the insertion therein of the relevant number of votes exercisable. A Shareholder entitled to attend and vote at the General Meeting may appoint one or more proxies to attend and act in his/her stead. A proxy so appointed need not be a Shareholder of the Company

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2018

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Each Shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.

## Notes to proxy

1. This form of proxy must be used by Certificated Shareholders or Dematerialised Own-Name Shareholders.
2. Dematerialised Shareholders are reminded that the onus is on them to communicate their voting instructions to their CSDP or Broker.
3. A Shareholder may insert the name of an 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 irrevocable 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 Resolutions. 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 proxy must be lodged at or be posted to the South African Transfer Secretaries, Computershare, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than 10:00 on Friday, 11 May 2018.
6. A Form of Proxy not lodged with the Transfer Secretaries may be handed to the chairman of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.
7. If the General Meeting is adjourned or postponed, a Form of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
8. If the General Meeting is adjourned or postponed then Forms of Proxy that have not yet been submitted should be lodged with the Transfer Secretaries preferably by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairman of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Shareholder at the adjourned or postponed General Meeting.
9. 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 General Meeting.
10. 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.
11. 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.
12. 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.
13. Where Shares are held jointly, at least one of the joint Shareholders must sign this form of proxy.
14. 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:

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

### In Namibia

Transfer Secretaries Proprietary Limited,  
(Burg Street entrance opposite Chateau Street)  
4 Robert Mugabe, Avenue, Windhoek, Namibia

### Postal deliveries to:

Computershare Investor Services Proprietary Limited  
PO Box 61051  
Marshalltown, 2107

### In Namibia

Transfer Secretaries Proprietary Limited  
PO Box 2401, Windhoek, Namibia



