



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

Registered as an external company in South Africa

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

ISIN Number: NA000AORF067

("Trustco" or "the Company")

ENTERING INTO OF A WARRANT AGREEMENT BETWEEN TRUSTCO AND EVO FUND

1. Introduction

- 1.1 Trustco shareholders ("**Shareholders**") are advised that Trustco and Evo Fund ("**Evo**") ("**the Parties**") have entered into a warrant agreement ("**Warrant Agreement**"), the salient terms of which are set out below.
- 1.2 In terms of the Warrant Agreement, Trustco shall create and issue warrants ("**Warrants**") which shall give the holder of such Warrants ("**the Warrant Holder**") the right, but not the obligation, upon exercise of the Warrant, to be issued such number of Trustco shares ("**Trustco Shares**") as set out in paragraph 3.1 below.
- 1.3 Evo shall be the first Warrant Holder.

2. Suspensive Condition

- 2.1 The Warrant Agreement shall take effect and become operative upon the date of fulfilment ("**Fulfilment Date**") of the following suspensive conditions ("**Suspensive Conditions**") on or before 30 September 2019 or such later date as may be agreed by the parties in writing ("**Long Stop Date**"):

- 2.1.1 Shareholders providing a specific authority to Trustco to issue options and convertible securities for cash (“**the Specific Authority**”) in accordance with paragraphs 5.51 and 5.53 of the JSE Listings Requirements, which Specific Authority, if successfully passed, would specifically authorise the creation and issuance of the Warrants as set out in paragraph 3.1 below; and
- 2.1.2 Evo having received a duly executed opinion from the legal counsel to the Company on the date of the meeting of shareholders referred to in paragraph 2.1.1 above.
- 2.2 If the Suspensive Conditions are not fulfilled prior to the Long Stop Date, then the Warrant Agreement shall terminate automatically without any further action required by any of the Parties.

3. Creation, Issuance and Terms of the Warrants

3.1 With effect from the Fulfilment Date:

3.1.1 Tranche 1 Warrants:

3.1.1.1 the Company shall create a first warrant (“**the Tranche 1 Warrant**”), which Tranche 1 Warrant shall be exercisable, in accordance with the terms and subject to the conditions set out in the Warrant Agreement, to subscribe for and be issued with 20,000,000 Trustco Shares (“**Tranche 1 Warrant Shares**”), upon payment by the Warrant Holder of a strike price per Trustco Share equal to ZAR 9 (nine Rand); and

3.1.1.2 the Company shall issue and grant the rights for Evo to subscribe for the Tranche 1 Warrants for a total consideration equal to ZAR 1.00;

3.1.2 Tranche 2 Warrants:

3.1.2.1 the Company shall create a second warrant (“**the Tranche 2 Warrant**”), which Tranche 2 Warrants shall be exercisable, in accordance with the terms and subject to the conditions set out in the Warrant Agreement, to subscribe for and be issued with 20,000,000 Trustco Shares

("Tranche 2 Warrant Shares"), upon payment by the Warrant Holder of a strike price per Trustco Share equal to ZAR 13 (thirteen Rand); and

3.1.2.2 the Company shall issue and grant the rights for Evo to subscribe for the Tranche 2 Warrants for a total consideration equal to ZAR 1.00;

3.1.3 Tranche 3 Warrants:

3.1.3.1 the Company shall create a third warrant ("**the Tranche 3 Warrant**"), which Tranche 3 Warrant shall be exercisable, in accordance with the terms and subject to the conditions set out in the Warrant Agreement, to subscribe for and be issued with 20,000,000 Trustco Shares ("**Tranche 3 Warrant Shares**"), upon payment by the Warrant Holder of a strike price per Trustco Share equal to ZAR 22.00 (twenty two Rand); and

3.1.3.2 the Company shall issue and grant the rights for Evo Fund to subscribe for the Tranche 3 Warrants, for a total consideration equal to ZAR 1.00;

3.1.4 Tranche 4 Warrants:

3.1.4.1 the Company shall create a fourth warrant ("**the Tranche 4 Warrant**"), which Tranche 4 Warrants shall be exercisable, in accordance with the terms and subject to the conditions set out in this Warrant Agreement, to subscribe for and be issued with 37,427,000 Shares ("**Tranche 4 Warrant Shares**"), upon payment by the Warrant Holder of a strike price per Trustco Share equal to ZAR 30.00 (thirty Rand); and

3.1.4.2 the Company shall issue and grant the rights for Evo to subscribe for the Tranche 4 Warrants, for a total consideration equal to ZAR 1.00.

3.2 As subscription consideration for the foregoing Warrant Tranches, Evo shall pay the aggregate amount of ZAR 4 for all the Warrant Tranches by electronic funds transfer, without deduction or set-off, into the Company's Bank Account, such date of payment being the subscription date ("**Subscription Date**").

4. Exercise of Warrants

4.1 A Warrant Holder is entitled (but is not obliged) to exercise its Warrants in accordance with the terms of the Warrant Agreement, in whole or in part, at any time before the third anniversary of the Subscription Date (“**the Lapse Date**”) by lodging at the registered office of Trustco.

5. Strike Price and Reset

5.1 The board of Trustco may, in its sole discretion, resolve to reset the strike price in respect of each Warrant Tranche by delivering a written notice (“**the Reset Notice**”) to the Warrant Holder, provided that 12 (Twelve) months has lapsed since the Long Stop Date.

6. Call Option

6.1 The Company shall have a call option to acquire any or all Warrants from the Warrant Holder on the terms and conditions set out below (“**the Call Option**”).

6.2 The Company shall be entitled (but not obliged) to exercise the Call Option at any time after the first anniversary of the Subscription Date and ending on the Lapse Date (“**Call Option Exercise Period**”), provided that the Warrant Holder shall have a two-week period to exercise the Warrant Tranche in respect of which the relevant notice has been delivered.

6.3 The aggregate acquisition price payable for the Warrants which are being acquired and transferred to the Company shall be price that was initially paid by the Warrant Holder for such Warrant.

7. Surrender of Warrants

7.1 The Company shall accept the surrender of a Warrant at any time. Once surrendered, a Warrant will be cancelled forthwith and will not be available for re-issue or resale.

8. Termination

8.1 The Warrant Agreement shall cease to have effect and terminate when all Warrants have been exercised, repurchased, surrendered or have lapsed except for any accrued rights

(including the right to claim any remedy for breach or non-performance); obligations and liabilities as at the date of termination.

9. Transfer of Warrants

9.1 A Warrant Holder may transfer any (or all) of the Warrants to a third party at any time, subject to certain condition set out in the Warrant Agreement.

10. Use of funds

10.1 The funds will be used to:

10.1.1 Unlock further opportunities and optimise current operations in the resource segment;

10.1.2 Funding of future acquisitions;

10.1.3 Deleverage the group and its segment's balance sheets; and

10.1.4 Ensure the banking and finance segment is well capitalised.

11. Rationale

11.1 The rationale for entering into of the Warrant Agreement is:

11.1.1 The possible raising of NAD 2 002 810 000 in cash through the issuance of Trustco Shares within a maximum period of 36 months as per the Lapse Date.

11.1.2 The increase of trading volume and liquidity of Trustco Shares in the market in order to meet various index liquidity requirements and which may aid in the price discovery of the Company's shares.

12. Irrevocable Undertaking

Upon issuing the SENS announcement, the Company has received irrevocable undertakings from shareholders, totaling 872 169 792 TTO Shares, representing 94% of the total issued shares eligible to vote to implement the transaction.

13. Circular to Shareholders

- 13.1 The Warrants will be issued at various set future strike prices, which strike prices have not been set taking into account the maximum discount allowed relative to the Companies 30-day volume weighted average price (“**VWAP**”) to ensure compliance with a general issue of options for cash as set out in paragraph 5.53(a)(ii) of the JSE Listings Requirements (“**Listings Requirements**”).
- 13.2 As a result, the issue of the Warrants will be considered to be a specific issue of options issued for cash (“**Specific Issue**”) as set out in paragraph 5.53(a)(i) of the Listings Requirements.
- 13.3 The Specific Issue will not lead to a dilution of more than 10% of the existing Shareholders and there will be no change in control in the Company.
- 13.4 A circular containing full details of the Specific Issue as well as a notice to convene a general meeting of Shareholders in order to consider and, if deemed fit, to pass with or without modification, the resolutions necessary to approve and implement the Specific Issue, will be made available to Shareholders in due course.
- 13.5 Shareholders or prospective shareholders with questions on this transaction are encouraged to contact the company secretary at amandab@tgh.na

Windhoek, Namibia

27 June 2019

Amanda Bruyns

Company Secretary: Trustco Group Holdings Limited

JSE Sponsor

Vunani Corporate Finance

NSX Sponsor

Simonis Storm Securities Proprietary Limited

Legal Advisors to EVO Fund as to South African Law

Bowman Gilfillan Inc.