

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 10 of this Circular apply *mutatis mutandis* throughout this document including this cover page.

Holders of Finbond ordinary shares are entitled to participate in the Rights Offer in the same ratio of entitlement in relation to one another.

Shareholders are referred to pages 6 to 8 of this Circular, which sets out the action required of them with regard to the Rights Offer, full details of which are set out in this Circular. If you are in any doubt as to the action that you should take, please consult your Broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Finbond Shares, this Circular and the Form of Instruction should be forwarded to the purchaser to whom, or the Broker, CSDP or agent through whom you disposed of your Finbond Shares, except that this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

The Rights that are represented by Letters of Allocation are valuable and may be renounced or sold on the JSE. Letters of Allocation, which are renounceable can, however, only be traded in dematerialised form. The electronic record for holders of Certificated Shares is being maintained by Link Market Services which has made it possible for holders of Certificated Shares to enjoy the same rights and opportunities as holders of Dematerialised Shares in respect of the Letters of Allocation.

Only whole numbers of Finbond Shares will be issued in terms of the Rights Offer. Excess applications will be not be permitted.

The Letter of Allocation to which the Form of Instruction enclosed with this document relates is negotiable and may be sold on the JSE.

Shareholders are also referred to page 6 of this Circular which sets out the detailed action required by both Certificated Shareholders and Dematerialised Shareholders.



FINBOND GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2001/015761/06)

Share code: FGL ISIN: ZAE000138095

("Finbond" or "the Company")

CIRCULAR TO FINBOND SHAREHOLDERS

regarding:

- **A partially underwritten renounceable Rights Offer of 172 609 725 new Finbond Shares, to be issued at a Subscription Price of 239 cents per Share, in the ratio of 22.18391 Rights Offer Shares for every 100 Finbond Shares held at the close of business on Friday, 6 April 2018, thereby raising a maximum of R412 537 243 of capital for the Company;**

and incorporating:

- **a Form of Instruction in respect of a Letter of Allocation (to be completed by holders of Certificated Shares only).**
-

Corporate Adviser and Sponsor

Grindrod Bank

Underwriters

Riskowitz Value Fund LP

Net 1 Finance Holdings (Pty) Ltd



RVF Net 1

Date of issue: 3 April 2018

This Circular is available in English only. Copies of this Circular may be obtained from the registered offices of Finbond, the Corporate Advisers and Sponsor and the Transfer Secretaries whose addresses are set out in the "Corporate information and advisors" section of this Circular, from Tuesday, 3 April 2018 to Friday, 20 April 2018. This Circular will also be available on the Company's website (www.finbondlimited.co.za) from Tuesday, 3 April 2018. A copy of this Circular, together with the Form of Instruction and other requisite documents referred to in section 99(4)(b) of the Companies Act, were approved by the JSE. This Circular is not an invitation to the public to subscribe for Shares, but is issued in compliance with the Listings Requirements for the purpose of providing information to the public with regard to the Company and the Rights Offer.

DISCLAIMER

The Rights Offer does not constitute an offer in any area of jurisdiction in which it is unlawful to make such an offer and in such circumstances, this Circular and accompanying Form of Instruction are distributed for information purposes only.

All transactions arising from the provisions of this Circular and the Form of Instruction shall be governed by and be subject to the laws of South Africa. The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Shareholders. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or requisite payments due in such jurisdiction. The Rights Offer is further subject to any other applicable laws and regulations, including the Exchange Control Regulations. Any foreign Shareholder who is in doubt as to his position, including without limitation his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

CORPORATE INFORMATION AND ADVISERS

Directors

Dr W van Aardt (*Chief Executive Officer*)
C Eksteen (*Chief Financial Officer*)
C van Heerden (*Chief Operating Officer*)
Dr M Motlatla* (*Chairperson*)
H Kotzé#
D Brits#
R Xaba#
Adv N Melville#
I Wilken-Jonker#
Adv J Noeth#

Non-executive
* *Independent*

Company Secretary, Registration Number and Registered Office

Mr. B Bredenkamp (*B.Com (Accounting), LLB, Post-Graduate Certificate in Advanced Taxation*)
(Registration number 2001/015761/06)
Rigel Park
446 Rigel Avenue
Erasmusrand
Pretoria
0181
(PO Box 2127, Brooklyn Square, 0075)

Website: www.finbondlimited.co.za

Date of incorporation: 2 July 2001

Place of Incorporation: Pretoria, South Africa

Corporate Adviser and Sponsor

Grindrod Bank Limited
(Registration number 1994/007994/06)
4th Floor, Grindrod Tower
8A Protea Place
Sandton
2196
(PO Box 78011, Sandton, 2146)

Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th floor
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Riskowitz Value Fund LP

3 Columbus Circle
15th Floor
New York
NY
10019

Net1 Finance Holdings (Pty) Ltd

4th Floor
President Place
Cnr Jan Smuts Ave & Bolton Road
Rosebank
Johannesburg

FORWARD-LOOKING STATEMENTS

This Circular may contain statements about Finbond that are or may be forward-looking in nature. All statements, other than statements of historical facts included in this Circular, may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipate", or similar expressions or the negative thereof are forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Finbond's operations; and (iii) the effect of Government regulation on Finbond's business.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Finbond, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of Finbond and the environment in which it will operate in the future. All subsequent oral or written forward-looking statements attributable to Finbond or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Finbond expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Forward-looking statements contained in this Circular have not been reviewed or reported on by the Company's external auditors.

TABLE OF CONTENTS

	Page
Corporate information and advisers	Inside front cover
Forward-looking statements	4
Action required by Finbond Shareholders in relation to the Rights Offer	6
Important dates and times	9
Definitions and interpretations	10
Circular to Finbond Shareholders	
1. Introduction and purpose of this Circular	13
2. Purpose of the Rights Offer and rationale	13
3. Nature of the business of Finbond and prospects	14
4. Particulars of the Rights Offer	15
5. JSE listings	19
6. Application of the proceeds of the Rights Offer	20
7. Share capital	20
8. Directors	20
9. Directors' responsibility statement	22
10. Consents	22
11. Expenses	22
12. Documents available for inspection	23
Annexure 1 Table of entitlement	24
Annexure 2 Share trading history of Finbond	26
Annexure 3 Information on the Underwriter	28
Form of Instruction (for use by Certificated Shareholders only)	<i>Enclosed</i>

ACTION REQUIRED BY FINBOND SHAREHOLDERS

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to this information on action required by Finbond shareholders.

This Circular contains important information regarding the Rights Offer and matters relating thereto. You should read the Circular carefully and decide if you want to follow your Rights in terms of the Rights Offer.

Shareholders should not construe anything in this Circular as legal, business or tax advice. Shareholders who are in any doubt as to what action to take should consult their CSDP, Broker, banker, accountant, attorney or other professional advisor immediately.

All holders of Finbond Shares are entitled to participate in the Rights Offer in the same Ratio of Entitlement in relation to one another.

If you have disposed of all your Finbond Shares, please forward this document, together with the enclosed Form of Instruction, to the purchaser of such Shares or the Broker, CSDP or other agent through whom you disposed of such Shares. This Circular and Form of Instruction should not be forwarded to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

Finbond Shares will only be traded in dematerialised form and holders of Certificated Shares wishing to trade in their Shares will have to dematerialise their Shares in accordance with the procedures outlined in this Circular.

Jurisdiction

The distribution of this Circular, the Rights Offer, the Form of Instruction and the transfer of the Rights Offer Shares and/or the Rights to subscribe for the Rights Offer shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this Circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this Circular and any Form of Instruction are sent for information purposes only.

It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights under the Rights Offer, to satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Non-Residents

The Shares issued in terms of the Rights Offer will not be registered for purposes of the Rights Offer with the Securities and Exchange Commission, Washington, D.C., the Canadian Provincial Securities Commission, or the Australian Securities Commission under the Australian Corporation Law, as amended. Accordingly, the Rights Offer will not be made to or be open for acceptance by persons with registered addresses in the United States of America or any of its territories, dependencies, possessions or commonwealths or in the District of Columbia or in the Dominion of Canada or in the Commonwealth of Australia, its states, territories or possessions. The CSDP or Broker will ensure that where such persons are holding Finbond Shares in dematerialised form that the CSDP or Broker adheres to the above restrictions.

Action required by Shareholders of Certificated Shares

A Form of Instruction for completion by Qualifying Certificated Shareholders who hold Certificated Shares is enclosed with this

Circular and the relevant procedure for participation in the Rights Offer is set out below:

- Letters of Allocation, which are renounceable, will be created in electronic form with the Transfer Secretaries to afford Qualifying Certificated Shareholders the same rights and opportunities as Qualifying Dematerialised Shareholders in respect of the trading of Letters of Allocation on the JSE;
- if you are a Qualifying Shareholder holding Certificated Shares and do not wish to subscribe for all of the Rights allocated to you as reflected in the Rights Offer, you may either dispose of or renounce all or part of your Rights Offer Entitlement as follows:
 - if you wish to sell all or part of your Rights Offer Entitlement, you must complete **Form A** in the enclosed Form of Instruction and return it to the Transfer Secretaries. The Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries nor Finbond nor any of its associates will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such Rights Offer Entitlement. Please note that the last day to trade Letters of Allocation is on Tuesday, 17 April 2018, and must be received by the Transfer Secretaries by no later than 12:00 on Tuesday, 17 April 2018; and
 - if you wish to renounce your Rights Offer Entitlement in favour of any named Renounee, you must complete **Form B** in the enclosed Form of Instruction, and the Renounee must complete **Form C** in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 20 April 2018, together with a bank-guaranteed cheque or bank draft for the appropriate amount.

If you are a Qualifying Shareholder holding Certificated Shares and wish to subscribe for all or part of your Rights Offer Entitlement in terms of the enclosed Rights Offer, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rand, with the Transfer Secretaries as follows:

By hand to:

Finbond Group Limited – Rights Offer

c/o Link Market Services South Africa Proprietary
Limited
13th Floor,
19 Ameshoff Street,
Braamfontein, 2001

By post to:

Finbond Group Limited – Rights Offer

c/o Link Market Services South Africa Proprietary Limited
PO Box 4844,
Johannesburg, 2000

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 20 April 2018.

If you are a Qualifying Shareholder holding Certificated Shares, after subscribing for any of the Rights Offer Shares that you have been allocated, you will receive such shares in Certificated Form. Accordingly, you will only be able to trade your Rights Offer Shares once they have been dematerialised.

If you are a Renounee you may elect to receive your Rights Offer Shares in dematerialised form by providing the information requested in respect of your CSDP or Broker in **Form C** in the enclosed Form of Instruction.

If the required documentation and payment has not been received in accordance with the instructions contained in the enclosed Form of Instruction (either from the Qualifying Shareholders or from any person in whose favour the Rights have been renounced) by 12:00 on Friday, 20 April 2018, then the Rights to those unsubscribed Shares will be deemed to have been declined and the Rights Offer Entitlement will lapse.

Action required by holders of Dematerialised Shares

If you are a Qualifying Shareholder and have dematerialised your Finbond Shares, you will not receive a printed Form of

Instruction and you should receive notification from your CSDP or Broker regarding the Rights to which you are entitled in terms of the Rights Offer.

Your CSDP or Broker will credit your account with the number of rights to which you are entitled and will contact you to ascertain:

- whether you wish to follow your Rights in terms of the Rights Offer and, if so, in respect of how many Rights Offer Shares; and
- if you do not follow all or any of your Rights:
 - whether you wish to sell your Rights and, if so, how many Rights you wish to sell; or
 - whether you wish to renounce your Rights and, if so, how many Rights and in favour of whom you wish to renounce those Rights; or
 - whether you wish your Rights to lapse.

CSDPs effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.

If you are a Qualifying Shareholder holding Dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the Custody Agreement governing the relationship between yourself and your CSDP or Broker. If you are not contacted, you should contact your CSDP or Broker and provide them with your instructions. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Finbond Shares in terms of the Rights Offer.

Neither Finbond nor any of its associates take responsibility nor will they be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to sell the Rights allocated.

CSDPs effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis. You must ensure that you have sufficient funds in your account to settle the aggregate Rights Offer Price payable in respect of the Rights Offer Shares for which you wish to subscribe.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 10 of this Circular apply *mutatis mutandis* to this section.

	2018
Rights Offer Declaration and Finalisation Data announcement released on SENS	Friday, 23 March
Last day to trade in Finbond Shares in order to participate in the Rights Offer (<i>cum entitlement</i>)	Tuesday, 3 April
Circular (and Form of Instruction) posted to (Certificated) Shareholders and made available on the website	Tuesday, 3 April
Listing of and trading in the Letters of Allocation on the JSE under JSE code FGLN and ISIN [insert] commences at 09:00	Wednesday, 4 April
Finbond Shares commence trading <i>ex-Rights</i> on the JSE at 09:00	Wednesday, 4 April
Record Date for the Rights Offer for purposes of determining the Finbond Shareholders entitled to participate in the Rights Offer at the close of business on Rights Offer opens at 09:00	Friday, 6 April
Certificated Shareholders will have their Letters of Allocation credited to an electronic account held at the Transfer Secretaries at 09:00 on	Monday, 9 April
Dematerialised Shareholders will have their Letters of Allocation credited to their accounts held at their CSDP or broker at 09:00 on	Monday, 9 April
Last day for trading Letters of Allocation on the JSE	Tuesday, 17 April
In respect of Qualifying Certificated Shareholders wishing to sell all or some of their Letters of Allocation, Forms of Instruction to be lodged with the Transfer Secretaries by 12:00 on	Tuesday, 17 April
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00	Wednesday, 18 April
Rights Offer closes at 12:00. Payment to be made and Form of Instruction lodged by Certificated Shareholders at the Transfer Secretaries	Friday, 20 April
Record Date for Letters of Allocation and Rights Offer closes	Friday, 20 April
Rights Offer Shares issued and posted to Shareholders in certificated form on or about	Monday, 23 April
CSDP or Broker accounts in respect of Dematerialised Shareholders will be updated with Rights Offer Shares and debited with any payments due	Monday, 23 April
Results of Rights Offer announced on SENS	Monday, 23 April

Notes:

- All references to dates and times are to local dates and times in South Africa.
- Holders of Dematerialised Finbond Shares are required to notify their CSDP or Broker of the action they wish to take in respect of the Rights Offer in the manner and by the time stipulated in the agreement governing the relationship between the Dematerialised Shareholder and his CSDP or Broker.
- Finbond Share certificates may not be dematerialised or rematerialised between Wednesday, 4 April 2018 and Friday, 6 April 2018, both days inclusive.
- CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery versus payment basis.
- Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their Rights and Certificated Shareholders will have their Rights credited to an account at the Transfer Secretaries.
- Rights Offer Share certificates to be issued in terms of the Rights Offer will be posted to persons entitled thereto, by registered post, at the risk of the Certificated Shareholders concerned.

DEFINITIONS AND INTERPRETATIONS

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

“Act” or “Companies Act”	the Companies Act 2008, (Act No. 71 of 2008), as amended;
“Board” or “Directors”	the board of directors of Finbond, as set out in paragraph 8 of this Circular;
“Broker” or “Stockbroker”	any person registered as a "broking member (equities)" in terms of the rules of the JSE and in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day of the week, excluding Saturdays, Sundays and all official public holidays in South Africa;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“Certificated Shares”	Shares that have not been dematerialised, the title to which is represented by a physical document of title;
“Circular”	this bound document, dated Tuesday, 3 April 2018 including the annexures hereto;
“Commission” or “CIPC”	in terms of the Companies Act, 2008 (Act No. 71 of 2008), as amended, it shall mean the Companies and Intellectual Property Commission, the official custodian of the legal status of companies, close corporations, co-operatives and intellectual property rights and a member of the Department of Trade and Industry of South Africa;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho constitute a single monetary area known as the Common Monetary Area. There are no exchange control restrictions between these countries and similar exchange control measures are applied by each country in respect of all countries outside the CMA;
“Corporate Adviser and Sponsor” or “Grindrod Bank”	Grindrod Bank Limited (Registration number 1994/00794/06), a public company incorporated and registered in South Africa, the corporate adviser and sponsor to Finbond;
“CSDP”	Central Securities Depository Participant, being a participant as defined in section 1 of the Financial Markets Act;
“Custody Agreement”	the agreement which regulates that relationship between the CSDP or Broker and each beneficial holder of Dematerialised Shares;
“Dematerialisation”	process by which certificated Shares are converted or held in electronic form as uncertificated Shares and recorded in the sub-register of Shareholders maintained by a CSDP;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares that have been Dematerialised in accordance with Strate and which shareholding is recorded electronically;
“Documents of Title”	valid Share certificates, certified transfer deeds, balance receipts or any other documents of title acceptable to Finbond in respect of a certificated Share;
“EFT”	electronic fund transfer;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act No. 9 of 1933, as amended;
“Finalisation Date”	the date on which the Rights Offer and its details become irrevocable, being Friday, 23 March 2018, i.e. no further finalisation changes to any of the finalisation information can be made by Finbond and the Rights Offer can only be cancelled;
“Financial Markets Act”	Financial Market Act, 2012 (Act No. 19 of 2012), as amended;
“Finbond” or “Company” or “Group”	Finbond Group Limited (Registration number 2001/015761/06), a public company

	incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on main board of the exchange operated by the JSE, and its Subsidiaries, referred to collectively;
“Finbond Property Finance”	Finbond Property Finance (Pty) Ltd, (Registration number 2007/028743/07), a private company incorporated in accordance with the laws of South Africa and a 100% subsidiary of Finbond;
“Finbond Shareholders” or “Shareholders”	all registered holders of Finbond Shares;
“Finbond Shares” or “Shares”	the ordinary shares in the capital of the Company of 0.0001 cent each;
“Form of Instruction”	the enclosed form of instruction in respect of a Letter of Allocation reflecting the Rights of Certificated Shareholders, and on which Certificated Shareholders must indicate to the Transfer Secretaries, whether they wish to take up, renounce or sell all or part of the Rights Offer Entitlement;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa, which is licensed to operate as an exchange under the Financial Markets Act;
“KRI”	Kings Reign International Limited, (Registration number C 76007), a limited liability company duly incorporated in accordance with the laws of Malta and the successor in right and title to Kings Reign Investments (Pty) Ltd, a 23.99% shareholder of Finbond;
“Last Practicable Date”	22 March 2018, the last practicable date prior to the finalisation of this Circular;
“Letters of Allocation” or “LA’s”	a renounceable (nil paid) letter of allocation in electronic form relating to the Rights Offer, conferring a right on the holder to subscribe for Rights Offer Shares in terms of the Rights Offer;
“Link Market Services” or “Transfer Secretaries”	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated in accordance with the laws of South Africa, being the Transfer Secretaries of Finbond;
“Listings Requirements”	the Listings Requirements of the JSE;
“MOI”	the memorandum of incorporation of Finbond;
“Net 1”	Net1 Finance Holdings Proprietary Limited, (Registration number 1998/020801/07), a private limited liability company duly incorporated in accordance with the laws of South Africa, ultimately owned by NET1 UEPS Technologies, Inc. and a 26.41% shareholder of Finbond;
“Qualifying Shareholder”	a registered holder of Finbond Shares on the Register of Shareholders on the Record Date for the Rights Offer and which does not have its registered address in any jurisdiction in which it would be unlawful to make the Rights Offer;
“Rand” or “R” or “ZAR” or “cents”	South African Rand and cents, the official currency of South Africa;
“Ratio of Entitlement”	the number of Rights Offer Shares to which Qualifying Shareholders are entitled to subscribe for in terms of the Rights Offer, being 22.18391 shares for every 100 Finbond Shares held on the Record Date for the Rights Offer;
“Record Date for Letters of Allocation”	the last day for Shareholders to be recorded in the Register in order for Shareholders and/or their Renounees to be entitled to subscribe for the Rights Offer Shares, being the close of business on Friday, 20 April 2018;
“Record Date for the Rights Offer”	the last day for Shareholders to be recorded in the Register in order to participate in the Rights Offer, being the close of business on Friday, 6 April 2018;
“Register”	register of Shareholders, including all sub-registers;
“Renounee”	the person in whose favour a Shareholder, who has received a Letter of Allocation, has renounced their Rights Offer Entitlement;
“Rights” or “Rights Offer Entitlement”	a Shareholder’s entitlement to subscribe for new Shares in accordance with the Ratio of Entitlement;
“Rights Offer”	the partially underwritten renounceable Rights Offer by Finbond to its Shareholders in terms of which Shareholders are entitled to subscribe for the Rights Offer Shares at the Subscription Price in accordance with the Ratio of Entitlement;
“Rights Offer Shareholders’ Loan Agreement”	the loan agreement entered into between Finbond, RVF, Net 1 and Kings Reign Investments (Pty) Ltd setting out the terms of the Rights Offer Shareholders’ Loans,

	dated 30 September 2016;
“the Rights Offer Shares”	The 172 609 725 Finbond Shares, which are the subject of the Rights Offer;
“RVF”	Riskowitz Value Fund LP (Registration Number 4797702), a limited partnership registered and formed in terms of the laws of the state of Delaware in the United States of America and a 37.60% shareholder of Finbond;
“SENS”	Stock Exchange News Service of the JSE;
“South Africa” or “SA”	Republic of South Africa;
“Strate”	Strate (Pty) Limited (Registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa which is a registered central securities depository in terms of the Financial Markets Act, which manages the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
“Subscription Price”	239 cents per Rights Offer Share, payable on subscription for the Rights Offer Shares;
“Subsidiary”	a subsidiary of Finbond as defined in the Companies Act;
“Underwriters”	RVF and Net 1;
“Underwriting Agreement”	the underwriting agreement entered into between Finbond Group Limited and RVF and Net 1 in terms of which RVF and Net 1 will underwrite a maximum of R365 335 790 of the rights issue in return for a fee of 2.5%;
“USA Dollar” or “US\$”	United State of America Dollar and cents, the official currency of the United States of America; and
“VAT”	Value-Added Tax.



FINBOND GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2001/015761/06)
Share code: FGL ISIN: ZAE000138095
("Finbond" or "the Company")

CIRCULAR TO FINBOND SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

It was announced on SENS on Friday, 23 March 2018 that Finbond intends to raise a maximum amount of R412 537 243 from its Shareholders by way of an underwritten renounceable Rights Offer.

In terms of the Rights Offer, 172 609 725 new Finbond Shares of 0.0001 cent each in the authorised but unissued share capital of the Company, will be offered for subscription to Finbond Shareholders recorded in the register at the close of trade on Friday, 6 April who will receive Rights to subscribe for Rights Offer Shares on the basis of 22.18391 Rights Offer shares for every 100 Finbond Shares held, for subscription at 239 cents per Rights Offer Share. Only whole numbers of Shares will be issued and Finbond Shareholders will be entitled to a rounded number Shares, as set out in paragraph 4.5, once the Ratio has been applied.

The JSE has agreed to the listing of the Rights Offer Shares and the purpose of this Circular is to furnish Finbond shareholders with relevant information relating to the Rights Offer, the action required and the implications thereof, in accordance with the Companies Act and the Listings Requirements.

2. PURPOSE OF THE RIGHTS OFFER AND RATIONALE

Finbond has embarked on an earnings enhancing growth strategy of and expanding its business presence in the North American instalment lending market through acquisition and subsequent organic growth of a number of instalment lenders with a significant track record of success and profitability in the North American market that specialise in the advancement of credit.

The rationale for the Rights Offer is to raise funds to repay shareholder loans that were extended to Finbond during the course of September 2016 that allowed Finbond to conclude the AmeriCash Holding LLC and Creditbox.com LLC acquisitions. Finbond's three largest shareholders, RVF, Net 1 and Kings Reign Investments (Pty) Ltd agreed to advance a total of \$37.5 million in new shareholders' loans to Finbond on condition that Finbond proposes a rights offer to all shareholders and that these shareholders be afforded the option to utilise these shareholder loans in accepting their rights in respect of the Rights Offer for any portion of their loan that remains outstanding at the repayment date.

The original Rights Offer Shareholders' Loan Agreement was amended by subsequent agreements on 3 March 2017, 12 December 2017 and 12 March 2018.

These shareholders now have the option to accept their Rights by converting their shareholders loans to shares for any portion of their respective shareholder loan that remains outstanding at the repayment date. Instead of subscribing for cash, they will then instruct the Company to debit their loan accounts and credit share capital. If any of the three shareholders elect not to accept their Rights, the relevant shareholder loan(s) will remain in effect and those shareholders will be afforded the opportunity to convert the loan(s) into shares by way of a future rights offer.

The loan amounts of the shareholders loans extended are as follows:

- RVF \$17.5 million
- Net 1 \$10 million
- KRI \$10 million

Should any of these shareholders elect to accept their rights and any portion of their loan remain unsettled, that amount will be repaid in cash after the Rights Offer is concluded by the funds raised by the Rights Offer. RVF and Net 1 have undertaken to accept their rights in terms of the Rights Offer.

The initial Rights Offer Shareholders' Loan Agreement and any subsequent amendments will be available for inspection at the registered office of Finbond.

The Rights Offer allows all shareholders registered as such on the record date an equal opportunity to participate in the capital raising on a *pari passu* basis.

3. NATURE OF THE BUSINESS OF FINBOND AND PROSPECTS

3.1. Nature of business

Finbond is a South African and North American financial services institution that specialises in the design and delivery of unique value and solution based short-term credit solutions tailored around borrower requirements rather than institutionalised policies and practices.

Finbond's core strength and key economic driver is short-term cash generative instalment lending both in South Africa and in North America. Finbond believes that it can be the best in the world at short-term unsecured lending, which drives its economic engine. Finbond is deeply passionate about being the best short-term lending company in South Africa and North America.

It is Finbond's vision "*to be the leading short-term lender in South Africa and North America, improving the quality of life of our clients by offering them access to unique value and solution-based products tailored around their unique requirements that empower, develop and uplift them.*"

Finbond conducts its business through two major divisions focussed on:

- Short-term instalment credit products; and
- Investment and savings products.

Short-term installment products are offered to the under-banked and underserved market actively seeking credit solutions but remaining largely unattended and underserved due to the traditional banks' concentration on the higher income brackets of the population.

Finbond currently operates through 670 branches in South Africa and North America. In South Africa Finbond has 413 branches and in the United States of America and Canada, Finbond has 257 branches. In total, Finbond has 2 066 employees.

Investment and savings products that offer a superior above average rate of return are offered nationally in South Africa to investors and pensioners looking for guaranteed higher fixed income in the current environment of depressed yields. Finbond's strategy is to stimulate savings through offering superior investment and savings solutions by providing client shareholders with better interest rates, better products and better service.

Finbond was founded by current Chief Executive Officer Dr W. van Aardt in 2003, was listed on the Johannesburg Stock Exchange in 2007, received its mutual banking license from the South African Reserve Bank in 2012 and expanded operations to the USA and Canada in 2016.

Finbond's Board and Executive Management team have a long and successful track record within the banking, micro finance and financial services sectors. This, combined with well-developed systems, unique branded product offerings, advanced information technology and a well-trained staff compliment, provide Finbond with a sound platform for future growth.

Further information about Finbond can be found on its website: www.finbondlimited.co.za.

3.2. Prospects

As an expert short-term instalment lender, which successfully managed through adverse regulatory changes and market conditions in South Africa over the past 14 years, Finbond is well-positioned to take advantage of the opportunities arising in the North American instalment lending market.

Finbond plans to continue its expansion in order to gain further market share in the North American unsecured lending market.

Finbond's key growth drivers are as follows:

- Finbond owns 257 branches in a 20 600 branch market in the United States of America and Canada giving it significant room for growth.
- Competition and pressures to further formalise the instalment lending market in the United States of America will force smaller, less sophisticated players out of the market. This together with high levels of fragmentation in the industry will precipitate industry consolidation. This will present opportunities for Finbond to grow its business through strategic acquisitions and achieve its vision of becoming an instalment lender of choice in North America.
- In addition to the growth achieved through these acquisitions, there is also an opportunity to grow the acquired branches organically after acquisition through the provision of funding to these business units, which in many cases are currently constrained by the availability of funding to attract and service additional customers.

The future prospects of Finbond are promising and investors and business partners will benefit from Finbond's growth prospects together with the evolution and development of the short-term instalment lending industry specifically in the United States of America.

4. PARTICULARS OF THE RIGHTS OFFER

4.1. Terms of the Rights Offer

- 4.1.1. Finbond Shareholders recorded in the Register at the close of business on Friday, 6 April 2018, are offered Rights Offer Shares at a Subscription Price of 239 cents per Rights Offer Share in the ratio of 22.18391 Rights Offer Shares for every 100 Finbond Shares held, on the terms and conditions as set out herein and in the accompanying Form of Instruction. Only whole numbers of Shares will be issued and Finbond Shareholders will be entitled to rounded numbers of Shares once the Ratio of Entitlement has been applied.
- 4.1.2. The Subscription Price represents a discount of 34% to the 30 day volume weighted average price of Finbond Shares as at 20 February 2018. Finbond will raise a maximum amount of R412 537 243 in terms of the Rights Offer.
- 4.1.3. The Record Date for the Rights Offer for purposes of determining which Shareholders are entitled to participate in the Rights Offer is Friday, 6 April 2018.
- 4.1.4. Upon their issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing Finbond Shares.
- 4.1.5. The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the JSE on Wednesday, 4 April 2018 under the JSE code FGLN and ISIN ZAE000249595. The Rights Offer Shares can be traded from Wednesday, 18 April 2018.
- 4.1.6. The Rights Offer does not constitute an offer in any area of jurisdiction in which it is unlawful to make such an offer and in such circumstances, this Circular and accompanying Letter of Allocation are distributed for information purposes only.
- 4.1.7. The enclosed Form of Instruction contains details of the Rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those Rights. Holders of Dematerialised Shares will be advised of the Rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those Rights by their CSDP or Broker in terms of the Custody Agreement entered into between such Dematerialised Shareholders and their CSDP or Broker.
- 4.1.8. The Subscription Price is payable in full, in Rand, by Qualifying Shareholders holding Certificated Shares on acceptance of the Rights Offer. CSDPs will make payment, on a delivery versus payment basis, in respect of Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDP or Broker, as the case may be.

4.2. Opening and closing dates of the Rights Offer

The Rights Offer will open at 09:00 on Monday, 9 April 2018 and will close at 12:00 on Friday, 20 April 2018.

4.3. Minimum subscription

The Rights Offer is partially underwritten as set out in paragraph 4.4 and is not conditional on a minimum subscription.

4.4. Underwriting

- 4.4.1. The Rights Offer has been partially underwritten to the amount of R365 335 378, of which RVF will underwrite a maximum of R232 486 411 based on 97 274 649 shares and Net 1 will underwrite a maximum of R132 849 378 based on 55 585 514 shares, at a standard underwriting fee of 2.5% the additional amount underwritten over and above the amount for full subscription.
- 4.4.2. In terms of the Underwriting Agreement, an underwriting fee of 2.5% of the quantum of the additional amount underwritten over and above the amount for full subscription is payable by Finbond to the Underwriters in consideration for the commitments provided in terms of the Underwriting Agreement.
- 4.4.3. The Board has made due and careful enquiry to confirm that the Underwriters can meet their underwriting commitments in terms of the Underwriting Agreement.
- 4.4.4. Details of the Underwriters, as required in terms of the Listings Requirements, are set out in Annexure 3 to this Circular.

4.5. Entitlement

- 4.5.1. Shareholders will have the right to subscribe for 22.18391 Rights Offer Shares for every 100 Finbond Shares held on the Record Date for the Rights Offer.
- 4.5.2. The allocation of Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share and as such, any Rights Offer Entitlement to receive a fraction of a Rights Offer Share:
 - is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; and
 - is equal to or greater than one-half of a Rights Offer Share, but less than a whole Rights Offer Share will be rounded up to the nearest whole number. The Rights Offer Entitlement of a Certificated Shareholder as reflected in the appropriate block in the Form of Instruction which accompanies and forms part of this Circular, is dependent on their deemed existing holdings at the close of business on Friday, 6 April 2018.
- 4.5.3. Shareholders are referred to the table of entitlement set out in Annexure 1 to this Circular for their entitlement to the Rights Offer Shares.
- 4.5.4. Certificated Shareholders will have their Rights Offer Entitlement credited to an account in electronic format held at the Company's Transfer Secretaries, which will be administered by the Company's Transfer Secretaries on their behalf. The Enclosed Form of Instruction reflects the Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedures that these Shareholders should follow for the acceptance, sale or renunciation of their Rights Offer Entitlement are reflected in the Form of Instruction.
- 4.5.5. Dematerialised Shareholders will have their Rights Offer Entitlement credited to their account by their CSDP or Broker, in electronic form. The CSDP or Broker will advise Dematerialised Shareholders of the procedure they need to follow for the acceptance, sale or renunciation of their Rights Offer Entitlement in accordance with their Custody Agreements.
- 4.5.6. The Letters of Allocation to which the Form of Instruction relates are negotiable and may be traded on the JSE.

4.6. Procedures for acceptance of the Rights Offer

Full details of the procedure for acceptance by Certificated Shareholders are contained in paragraph 3 of the accompanying Form of Instruction or in the case of Dematerialised Shareholders, as advised by their CSDP or Broker.

The following should be noted:

- 4.6.1. acceptances are irrevocable and may not be withdrawn;
- 4.6.2. Dematerialised Shareholders must contact their CSDP or Broker with regard to the procedure to be followed for acceptance of their Rights Offer Entitlement, and must act in accordance with the instructions received from their CSDP or Broker; and
- 4.6.3. Certificated Shareholders should note the following:
 - 4.6.3.1. acceptances by Certificated Shareholders may only be made by means of the accompanying Form of Instruction;
 - 4.6.3.2. any instruction to sell or renounce all or parts of the Rights Offer Entitlement must be done in accordance with the requirements set out in paragraph 4.7 and may only be made by means of the accompanying Form of Instruction;
 - 4.6.3.3. Certificated Shareholders who wish to subscribe for only a portion of their Rights Offer Entitlement must indicate the number of Rights Offer Shares for which they wish to subscribe on the accompanying Form of Instruction;
 - 4.6.3.4. payment of the Rand value of the Subscription Price may be made:
 - by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to "Finbond Limited – Rights Offer";
 - by banker's draft (drawn on a registered bank) payable to "Finbond Limited – Rights Offer";

- or
- by EFT into the Designated Bank Account (details of which are available from the corporate actions department of Link Market Services, contactable during ordinary business hours on +27 (0) 11 713 0800);
- 4.6.3.5. properly completed Forms of Instruction together with the cheque, or banker's draft or EFT swift reference number (in accordance with paragraph 4.10) must be received from Certificated Shareholders by the Transfer Secretaries at the address referred to in paragraph 4.10.2 by not later than 12:00 on Friday, 20 April 2018. Certificated Shareholders are advised to take into consideration postal delivery times when posting their Form of Instruction, as no postal deliveries will be accepted after 12:00 on Friday, 20 April 2018. Each cheque or banker's draft will be deposited immediately upon receipt for collection;
- 4.6.3.6. payment referred to in paragraph 4.10 will, when the cheque or banker's draft has been paid and/or the EFT cleared into the Designated Bank Account, constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and the accompanying Form of Instruction and may not be withdrawn. Should any cheque or banker's draft be subsequently dishonoured, Finbond may, in its sole discretion, and without prejudice to any rights that the Company may have, regard the Form of Instruction as null and void or take such steps in regard thereto as they deem fit; and
- 4.6.3.7. if any Form of Instruction and cheque, banker's draft or EFT is not received and cleared as set out above, the Rights Offer Entitlement will be deemed to have been declined by the Shareholder to whom the Form of Instruction is addressed and the right to subscribe for the Rights Offer Shares offered to such Shareholder or renounced in favour of his Renounee in terms of such Form of Instruction, will lapse, no matter who then holds it.

PLEASE NOTE THAT SHOULD YOUR CHEQUE, BANKER'S DRAFT, EFT OR SWIFT REFERENCE NUMBER NOT ACCOMPANY THAT FORM OF INSTRUCTION, THE TRANSFER SECRETARIES WILL TREAT YOUR APPLICATION AS INVALID.

4.7. Sale or renunciation of Rights Offer Entitlement

- 4.7.1. Dematerialised Shareholders must contact their CSDP or Broker with regard to the procedure to be followed in respect of the sale or renunciation of their Rights Offer Entitlement.
- 4.7.2. Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction, must complete Form A of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Tuesday, 17 April 2018. The Transfer Secretaries will endeavour to procure the sale of the Rights Offer Entitlement on the JSE on behalf of such Certificated Shareholder and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither the Transfer Secretaries, any Broker appointed by them nor Finbond will have any obligation nor will any of these parties be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained, or any failure to sell such Rights Offer Entitlement. References in this paragraph to Certificated Shareholders include references to the person or persons executing the Form of Instruction and any person or persons on whose behalf such person or persons executing the Form of Instruction is/are acting and in the event of more than one person executing the Form of Instruction, the provisions of this paragraph shall apply to them, jointly and severally.
- 4.7.3. Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement will be liable for the costs as set out in Form A of the Form of Instruction.
- 4.7.4. Certificated Shareholders who do not wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction and who do not wish to subscribe for any of the Rights Offer Shares offered in terms of the Form of Instruction, but who wish to renounce their Rights Offer Entitlement, must complete Form B of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein to be received by no later than 12:00 on Friday, 20 April 2018.

4.8. Payment

- 4.8.1. Payment of the Rand value of the Subscription Price may be made:
- by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to "Finbond Group Limited – Rights Offer";
 - by banker's draft (drawn on a registered bank) payable to "Finbond Group Limited – Rights Offer";
 - or
 - by EFT into the Designated Bank Account (details of which are available from the corporate actions department of Link Market Services, contactable during ordinary business hours on +27 (11) 713 0800).
- 4.8.2. A cheque, a banker's draft or EFT swift reference number for the amounts payable in accordance with paragraph 4.9.1, together with a properly completed Form of Instruction, must be lodged by Certificated Shareholders with the Transfer Secretaries, as follows

Hand deliveries to:

Finbond Group Limited – Rights Offer

c/o Link Market Services South Africa
(Proprietary) Limited

13th Floor

19 Ameshoff Street

Braamfontein, 2001

**Faxed to (only in the case where payment is
by way of EFT):**

+27 86 674 330

Postal deliveries to:

Finbond Group Limited – Rights Offer

c/o Link Market Services South Africa
(Proprietary) Limited

PO Box 4844

Johannesburg, 2000

**Emailed to (only in the case where payment
is by way of EFT):**

corpactfax@linkmarketservices.co.za

so as to reach the Transfer Secretaries by no later than 12:00 on Friday, 20 April 2018.

Link Market Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in Link Market Services' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by Link Market Services.

- 4.8.3. Please note that the Transfer Secretaries will effect delivery of share certificates against payment and should a cheque, banker's draft or EFT swift reference number not accompany the Form of Instruction, the application will be treated as invalid.
- 4.8.4. No acknowledgement of receipt will be given for a cheque, banker's draft or EFT received in accordance with the Rights Offer.
- 4.8.5. "Blocked Rand" may be used by emigrants and non-residents of the Common Monetary Area for payment in terms of the Rights Offer. In this regard, reference should be made to paragraph 4.11 which deals with Exchange Control Regulations.
- 4.8.6. Dematerialised Shareholders must timeously instruct their CSDP or Broker as to the action they must take to enable the CSDP or Broker to act on their behalf in terms of the agreement entered into between such Dematerialised Shareholders and the CSDP or Broker.

4.9. Exchange Control Regulations

The following guideline is not a comprehensive statement of Exchange Control Regulations. If Shareholders or their Renounees are in any doubt as to the action they must take, they are advised to consult their professional advisers immediately.

In terms of the Exchange Control Regulations of South Africa, non-residents of the Common Monetary Area: *"will be allowed to:*

- *take up rights allocated in terms of the offer;*
 - *purchase letters of allocation on the JSE Limited; and*
 - *subscribe for new ordinary shares arising from letters of allocation purchased on the JSE Limited; and*
 - *purchase excess shares which have been applied for in terms of the offer (if applicable)*,*
- provided that payment is received in foreign currency or in Rand from a Non-Resident Account.*

All applications by non-residents for the above purposes must be made through an Authorised Dealer in foreign exchange. Shares subsequently re-materialised and issued in certificated form, will be endorsed "Non-Resident".

Where a right in terms of the offer falls due to a former resident of the Common Monetary Area, which right is based on shares controlled in terms of the Exchange Control Regulations, only emigrant's blocked funds may be used to take up this right. In addition, emigrant's blocked funds may also be used to:

- *purchase letters of allocation on the JSE Limited; and*
- *subscribe for new ordinary shares arising from the letters of allocation purchased on the JSE Limited; and*
- *purchase excess shares which have been applied for in terms of the offer (if applicable)*.*

Applications by emigrants using emigrants' blocked funds for the above purposes must be made through the Authorised Dealer in foreign exchange controlling their blocked assets. Any shares issued pursuant to the use of emigrant blocked funds will be credited to their blocked share accounts at the Central Securities Depository Participant controlling their blocked portfolios. The sale proceeds of letters of allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts."

** The right to apply for Rights Offer Shares in excess of qualifying Shareholders' entitlements will not apply.*

4.10. Restricted jurisdictions

- 4.10.1. Shareholders should note that the Rights Offer does not constitute an offer in any jurisdiction in which it is unlawful to make such an offer and in such circumstances, this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.
- 4.10.2. Shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their Rights. To the extent that foreign Shareholders are not entitled to participate in the Rights Offer, such foreign Shareholders should not take up their Rights Offer Entitlement or trade in their Rights Offer Entitlement and should allow their Rights in terms of the Rights Offer to lapse.
- 4.10.3. Without prejudice to the generality of the foregoing, the Rights Offer Shares have not been and will not be registered with the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933 or any U.S. state securities laws. Accordingly, the Rights Offer Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the U.S. Securities Act. This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Circular does not constitute an offer of any securities for sale in the United States or to United States persons.

4.11. South African law

All transactions arising from the provisions of this Circular and the accompanying Form of Instruction shall be governed by and be subject to the laws of South Africa.

4.12. Tax consequences

Shareholders are advised to consult their professional advisers regarding the tax implications of the Rights Offer.

4.13. Documents of Title

- 4.13.1. Share certificates to be issued to Certificated Shareholders pursuant to the Rights Offer will be posted to persons entitled thereto by registered post, at the risk of the Shareholders concerned, on or about Monday, 23 April 2018.
- 4.13.2. Certificated Shareholders receiving new Certificated Shares must note that they will not be able to trade such Shares on the JSE until these Shares have been Dematerialised, which could take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.
- 4.13.3. Dematerialised Shareholders will have their accounts updated at their CSDP or Broker in respect of the Rights Offer Shares to be issued to them on or about Monday, 23 April 2018.
- 4.13.4. CSDPs will effect payment on a "delivery versus payment basis" in respect of the holders of Dematerialised Finbond Shares.

5. JSE LISTINGS

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

- the renounceable Letters of Allocation in respect of all of the 172 609 725 Rights Offer Shares with effect from the commencement of trade on Wednesday, 4 April 2018 to the close of trade on Tuesday, 17 April 2018, both days inclusive; and
- a listing of a maximum of 172 609 725 Rights Offer shares with effect from the commencement of trade on Wednesday, 18 April 2018.

6. APPLICATION OF THE PROCEEDS FROM THE RIGHTS OFFER

The net proceeds of the Rights Offer, being a maximum of R412 537 243, will be applied to meet maturing debt obligations arising from shareholders loans obtained in order to conclude the AmeriCash Holding LLC and Creditbox.com LLC acquisitions.

7. SHARE CAPITAL

The authorised and issued share capital of Finbond, at the Last Practicable Date is set out below:

	R
Authorised	
1 000 000 000 ordinary shares of 0.0001 cent each	1 000
Issued share capital <i>before</i> the Rights Offer	
778 085 288 Ordinary shares of 0.0001 cent each	778
Less: 29 520 724 Treasury shares*	(29)
Share premium	717 508 466
Total issued share capital	717 509 215

The authorised and issued share capital of Finbond after the Rights Offer is set out below:

	R
Authorised	
1 000 000 000 ordinary shares of 0.0001 cent each	1 000
Issued share capital <i>after</i> the Rights Offer	
950 695 013 Ordinary shares of 0.0001 cent each	950
Less: 29 520 724 Treasury shares*	(29)
Share premium	1 130 045 537
Total issued share capital	1 130 046 458

* Finbond currently has 29 520 724 treasury shares in issue held by Finbond Property Finance, a wholly-owned subsidiary of Finbond. The subsidiary will not take up its Rights in terms of the Rights Offer and will not trade in the Letters of Allotment.

8. DIRECTORS

8.1. Directors' information

The executive and non-executive Directors and management of Finbond, whose details are set out below, will not change as a result of the Rights Offer:

Director	Capacity
Dr. Willem (Willie) van Aardt	Chief Executive Director
Dr. Malesela Motlatla	Independent Non-Executive Director and Chairman of the Board
Herman Kotzé	Non-Executive Director
Daniel Brits	Independent Non-Executive Director
Rosetta Xaba	Independent Non-Executive Director
Adv. Neville Melville	Independent Non-Executive Director
Ina Wilken-Jonker	Non-Executive Director
Adv. Jasper Noeth	Independent Non-Executive Director

Corné Eksteen	Chief Financial Officer (Executive Director)
Carel van Heerden	Chief Operating Officer (Executive Director)

8.2. Directors' interest in securities

The direct and indirect beneficial interests in Shares held by all the directors (including directors who have resigned in the last 18 months) as at the Last Practicable Date, are shown below.

Director	Beneficial		Total shares	Total %
	Direct	Indirect		
W van Aardt*	-	186 656 275	186 656 275	23.99
C Eksteen	50 000	-	50 000	0.006
M Motlatla	-	-	-	-
D Brits	-	-	-	-
R Xaba	26 201	-	26 201	0.003
N Melville	-	-	-	-
I Wilken	-	-	-	-
J Noeth	-	-	-	-
H Kotzé**	-	-	-	-
B Bredenkamp	12 717	-	12 717	0.002
	88 918	186 656 275	186 745 193	24.00

*Shareholding via KRI, of which Dr. van Aardt was the founder, and of which Dr. van Aardt is a Director and the van Aardt Family Trust is the ultimate beneficial shareholder with 100% shareholding in KRI. Dr. van Aardt is the settlor of the van Aardt Family Trust.

** Mr. Herman Kotzé is the Chief Executive Officer of Net 1, a shareholder of Finbond that owns 205 483 967 (or 26.41%) of Finbond Shares.

Mr Eksteen and Ms Xaba and Mr Bredenkamp will take up their respective Rights in terms of the Rights Offer. KRI will not take up its Rights in terms of the Rights Offer.

The only changes in directors' and their associates interests between 28 February 2017, being the date of the preceding financial year and the Last Practicable Date, are the results of the scrip dividend.

8.3. Directors' remuneration

The remuneration of the Directors will not be varied as a result of the Rights Offer.

8.4. Directors' service contracts

Each of the executive Directors has concluded service contracts with terms and conditions that are standard for such appointments, which service contracts are available for inspection as set out in paragraph 12.

8.5. Directors' interests in share options

The interests of executive Directors, as at the Last Practicable Date, in share options issued by Finbond is as set out in the table below:

Director	Grant Date	Total options
W van Aardt	10 500 000	10 500 000
C Eksteen	6 600 000	6 600 000
C van Heerden	9 100 000	9 100 000
	26 200 000	26 200 000

None of these options will be exercised prior to the Rights Offer.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in the "Corporate information and advisers" section of this Circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief that 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.

10. CONSENTS

The Corporate and Adviser and Sponsor and Transfer Secretaries have given and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names in the form and context in which they appear in this Circular.

11. EXPENSES

It is estimated that Finbond's expenses relating to the Rights Offer will amount to approximately R3 204 000. The expenses (excluding VAT) relating to the Rights Offer are detailed below:

Nature of expense	Party	R'000
Corporate Adviser	Grindrod Bank Limited	400
Corporate Sponsor	Grindrod Bank Limited	-
Underwriting fees*	Riskowitz Value Fund LP, Net 1	2 532
JSE documentation inspection fee	JSE Limited	26
JSE listing fee	JSE Limited	146
Printing, publication and distribution	CM Steyn Photo & Graphic	50
Transfer secretaries	Link Market Services South Africa (Pty) Ltd	50
Total		3 204

**This is the maximum Underwriting fee calculated by excluding the amounts to be subscribed for by RFV, Net 1 and KRI.*

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Finbond and the Sponsor and Corporate Adviser during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of this Circular up to and including Friday, 20 April 2018:

- the Memorandum of Incorporation of Finbond and each of its Subsidiaries;
- copies of the audited financial statements of Finbond for the financial years ended 28 February 2017, 29 February 2016 and 28 February 2015;
- copy of the interim financial statements of Finbond for the six months ended 31 August 2017;
- copies of the latest valuations relating to land and properties owned by the Group;
- copies of the Executive Directors service contracts referred to in paragraph 8.4;
- copies of the Rights Offer Shareholder's Loan Agreement and Amended Agreement;
- a copy of the Underwriting Agreement dated 19 March 2018;
- copies of the consent letters referred to in paragraph 10;
- a resolution of the Board of Directors authorising the Rights Offer and the signing of this Circular; and
- a signed copy of this Circular and the Form of Instruction.

By order of the Board

FINBOND GROUP LIMITED

Dr W van Aardt

Chief Executive Officer

Pretoria

Tuesday, 3 April 2018

TABLE OF ENTITLEMENT

The number of Rights Offer shares to which Qualifying Shareholders will be entitled is set out below, based on the assumption that Finbond Shareholders will be entitled to 22.18391 Rights Offer Shares for every 100 Finbond Shares held. Shareholders' Rights Offer Entitlements will be rounded up or down, as appropriate with fractions of 0.5 and above being rounded up and fractions below 0.5 being rounded down to the nearest whole number resulting in allocations of whole numbers of Rights Offer Shares, in accordance with the Listings Requirements.

<i>Number of Finbond Shares held</i>	<i>Number of Rights Offer Shares to which a Finbond shareholder is entitled</i>	<i>Number of Finbond Shares held</i>	<i>Number of Rights Offer Shares to which a Finbond shareholder is entitled</i>	<i>Number of Finbond Shares held</i>	<i>Number of Rights Offer Shares to which a Finbond shareholder is entitled</i>	<i>Number of Finbond Shares held</i>	<i>Number of Rights Offer Shares to which a Finbond shareholder is entitled</i>
1	0.22184	34	7.54253	67	14.86322	100	22.18391
2	0.44368	35	7.76437	68	15.08506	200	44.36782
3	0.66552	36	7.98621	69	15.30690	300	66.55173
4	0.88736	37	8.20805	70	15.52874	400	88.73564
5	1.10920	38	8.42989	71	15.75058	500	110.91955
6	1.33103	39	8.65172	72	15.97242	600	133.10346
7	1.55287	40	8.87356	73	16.19425	700	155.28737
8	1.77471	41	9.09540	74	16.41609	800	177.47128
9	1.99655	42	9.31724	75	16.63793	900	199.65519
10	2.21839	43	9.53908	76	16.85977	1 000	221.83910
11	2.44023	44	9.76092	77	17.08161	2 500	554.59775
12	2.66207	45	9.98276	78	17.30345	5 000	1 109.19550
13	2.88391	46	10.20460	79	17.52529	7 500	1 663.79325
14	3.10575	47	10.42644	80	17.74713	10 000	2 218.39100
15	3.32759	48	10.64828	81	17.96897	25 000	5 545.97750
16	3.54943	49	10.87012	82	18.19081	50 000	11 091.95500
17	3.77126	50	11.09196	83	18.41265	75 000	16 637.93250
18	3.99310	51	11.31379	84	18.63448	100 000	22 183.91000
19	4.21494	52	11.53563	85	18.85632	250 000	55 459.77500
20	4.43678	53	11.75747	86	19.07816	500 000	110 919.55000
21	4.65862	54	11.97931	87	19.30000	750 000	166 379.32500
22	4.88046	55	12.20115	88	19.52184	1 000 000	221 839.10000
23	5.10230	56	12.42299	89	19.74368	2 500 000	554 597.75000
24	5.32414	57	12.64483	90	19.96552	5 000 000	1 109 195.50000
25	5.54598	58	12.86667	91	20.18736	7 500 000	1 663 793.25000
26	5.76782	59	13.08851	92	20.40920	10 000 000	2 218 391.00000
27	5.98966	60	13.31035	93	20.63104	100 000 000	22 183 910.00000
28	6.21149	61	13.53219	94	20.85288		
29	6.43333	62	13.75402	95	21.07471		
30	6.65517	63	13.97586	96	21.29655		

31	6.87701	64	14.19770	97	21.51839
32	7.09885	65	14.41954	98	21.74023
33	7.32069	66	14.64138	99	21.96207

SHARE PRICE HISTORY OF FINBOND

Monthly

The highest, lowest and closing price of the Shares of Finbond on the JSE for each day over the 30 days preceding the Last Practicable Date and for each month over the 12 months prior to the last Practicable Date, is set out below:

Date	High (cents)	Low (cents)	Close (cents)	Volume (cents)	Value (Rand)
Month Ended					
February 2018	369	290	325	960 964	2 994 309
January 2018	425	308	359	2 951 704	10 831 481
December 2017	349	277	339	1 296 528	4 141 782
November 2017	360	-	340	760 519	2 599 091
October 2017	360	300	348	1 322 320	4 407 417
September 2017	320	274	320	643 116	2 003 413
August 2017	346	-	315	1 519 579	4 712 841
July 2017	348	252	345	15 094 588	46 575 405
June 2017	333	295	312	2 000 747	5 900 088
May 2017	355	-	303	506 259	1 678 116
April 2017	365	252	330	899 162	2 796 688
March 2017	294	-	270	1 209 109	3 392 302
Day ended					
20 March 2018	320	300	305	27 109	82 877
19 March 2018	322	305	322	25 169	79 056
16 March 2018	305	305	305	5 681	17 327
15 March 2018	309	305	309	21 341	65 383
14 March 2018	305	280	305	94 691	283 572
13 March 2018	310	301	301	2 000	6 149
12 March 2018	301	300	300	42 170	126 564
9 March 2018	320	301	301	24 001	73 198
8 March 2018	-	0	309	-	-
7 March 2018	309	309	309	50	154
6 March 2018	345	307	332	11 458	35 937
5 March 2018	349	306	343	36 006	120 530
2 March 2018	339	300	300	119 607	367 485
1 March 2018	340	310	340	136 832	448 851
28 February 2018	325	310	325	171 840	543 678
27 February 2018	310	300	300	2 376	7 346
26 February 2018	309	300	300	34 660	105 289
23 February 2018	314	300	310	24 378	73 699
22 February 2018	314	297	297	15 800	48 092
21 February 2018	300	295	300	12 545	37 478
20 February 2018	315	290	315	9 953	29 741
19 February 2018	319	300	315	64 612	196 859
16 February 2018	300	300	300	9 962	29 886
15 February 2018	325	308	308	14 500	45 081
14 February 2018	306	295	306	52 464	156 593

13 February 2018	320	296	296	28 914	88 505
12 February 2018	310	299	299	22 815	68 770
9 February 2018	318	300	304	84 337	253 668
8 February 2018	340	304	305	225 465	692 119
7 February 2018	330	311	330	25 828	83 591

Source: INET BFA

INFORMATION ON THE UNDERWRITERS

The Rights Offer is partially underwritten by Riskowitz Value Fund LP and Net 1. Details pertaining to the Underwriters as required by the Listings Requirements are set out below:

Riskowitz Value Fund LP:**1. Nature of business**

Riskowitz Value Fund LP is a limited partnership registered and formed in terms of the laws of the state of Delaware in the United States of America

2. Directors and executive management

Sean M. Riskowitz

Adrian J. Maizey

3. Company Secretary

Adrian J. Maizey, Secretary of Protea Asset Management LLC, the investment adviser to RVF

4. Date and place of incorporation

10 March 2010

Incorporated in the United States of America

5. Registration number

4797702

6. Registered office

3 Columbus Circle

15th Floor

New York

NY

10019

7. Auditors

Patke & Associates Ltd

8. Bankers

Citibank

9. Authorised share capital

N/A

10. Issued share capital

N/A

Net 1 Finance Holdings (Pty) Ltd:

1. Nature of business

Net 1 is a private limited liability company duly incorporated in accordance with the laws of South Africa, ultimately owned by NET 1 UEPS Technologies, Inc.

2. Directors and executive management

Herman Kotzé - Director

Nunthakumarin Pillay - Director

3. Company Secretary

Catharina van Straaten

4. Date and place of incorporation

20 October 1998

Incorporated in South Africa

5. Registration number

1998/020801/07

6. Registered office

4th Floor, President Place,

Cnr Jan Smuts Ave & Bolton Road

Rosebank

Johannesburg

7. Auditors

Deloitte and Touche

8. Bankers

Nedbank Limited

9. Authorised share capital

1000 Ordinary shares of R1 each

10. Issued share capital

1000 Ordinary shares of R1 each

IMPORTANT: If you are in doubt as to how to deal with this Form of Instruction, you should consult your CSDP, Broker, banker, legal adviser, accountant, banker or other professional adviser immediately.

EXCHANGE CONTROL
REGULATIONS
ENDORSEMENT

The definitions and interpretation commencing on page 10 of the accompanying Rights Offer Circular dated Tuesday, 3 April 2018 apply, *mutatis mutandis*, to this Form of Instruction in relation to a Letter of Allocation. The Rights to Rights Offer Shares have been issued in dematerialised form and are negotiable and can be sold on the JSE.

The electronic record for Certificated Shareholders is being maintained by Link Market Services South Africa Proprietary Limited. This has made it possible for Certificated Shareholders, who are eligible to participate in the Rights Offer, to enjoy the same rights and opportunities as those Shareholders who have already dematerialised their Finbond Shares.

Should you wish to take up, sell or renounce all or part of your Rights to which you are entitled in terms of the Rights Offer, you must complete this Form of Instruction and return it to the Transfer Secretaries at the address set out overleaf.

Each alteration to this Form of Instruction must be signed in full and not merely initialled.



FINBOND GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2001/015761/06)
Share code: FGL ISIN: ZAE000138095
("Finbond" or "the Company")

A partially underwritten renounceable Rights Offer of 172 609 725 new Finbond Shares to be issued at a Subscription Price 239 cents per Share, in the ratio of 22.18391 Rights Offer Shares for every 100 Finbond Shares held at the close of business on Friday, 6 April 2018.

A copy of this Form of Instruction, together with the Circular and other requisite documents have been lodged with the Companies and Intellectual Property Commission.

FORM OF INSTRUCTION IN RESPECT OF A LETTER OF ALLOCATION
(issued to holders of Certificated Finbond Shares only)
(The letters of allocation will trade under the share code "FGLN" and ISIN number")

Name and address of Finbond Shareholder	Serial number
	Enquiries in connection with this Form of Instruction should be made to Link Market Services South Africa Proprietary Limited quoting this serial number:

Account number	Number of Finbond Shares deemed to be held at the close of business on Friday, 6 April 2018	Number of Rights Offer shares to which you are entitled based on your deemed holding as at record date	Amount payable at the cost of 239 cents per Rights Offer Share
(1)	(2)	(3)	R (4)

Acceptance of rights (to be completed by the applicant)	Number of Rights Offer Shares subscribed for	Amount due at the cost of 239 cents per Rights Offer Share
	(5)	R (6)

THIS FORM OF INSTRUCTION MUST BE COMPLETED IN ITS ENTIRETY AND RETURNED TO THE TRANSFER SECRETARIES:

Link Market Services South Africa Proprietary Limited

13th Floor,

19 Ameshoff Street, Braamfontein, 2001

(PO Box 4844, Johannesburg, 2000)

so as to be received by no later than 12:00 on Friday, 20 April 2018.

SALIENT DATES AND TIMES

2018

Rights Offer Declaration and Finalisation Data announcement released on SENS	Friday, 23 March
Last day to trade in Finbond Shares in order to participate in the Rights Offer (<i>cum entitlement</i>)	Tuesday, 3 April
Circular (and Form of Instruction) posted to (Certificated) Shareholders	Tuesday, 3 April
Listing of and trading in the Letters of Allocation on the JSE under JSE code FGLN and ISIN[INSERT] commences at 09:00	Wednesday, 4 April
Finbond Shares commence trading <i>ex-Rights</i> on the JSE at 09:00	Wednesday, 4 April
Record Date for the Rights Offer for purposes of determining the Finbond Shareholders entitled to participate in the Rights Offer at the close of business on	Friday, 6 April
Rights Offer opens at 09:00	Monday, 9 April
Certificated Shareholders will have their Letters of Allocation credited to an electronic account held at the Transfer Secretaries	Monday, 9 April
Dematerialised Shareholders will have their Letters of Allocation credited to their accounts held at their CSDP or broker	Monday, 9 April
Last day for trading Letters of Allocation on the JSE	Tuesday, 17 April
In respect of Qualifying Certificated Shareholders wishing to sell all or some of their Letters of Allocation, Forms of Instruction to be lodged with the Transfer Secretaries by 12:00 on	Tuesday, 17 April
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00	Wednesday, 18 April
Rights Offer closes at 12:00. Payment to be made and Form of Instruction lodged by Certificated Shareholders at the Transfer Secretaries	Friday, 20 April
Record Date for Letters of Allocation	Friday, 20 April
Rights Offer Shares issued and posted to Shareholders in certificated form on or about	Monday, 23 April
CSDP or Broker accounts in respect of Dematerialised Shareholders will be updated with Rights Offer Shares and debited with any payments due	Monday, 23 April
Results of Rights Offer announced on SENS	Monday, 23 April

Notes:

1. Dematerialised shareholders are required to inform their CSDP or Broker of their intentions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and its CSDP or Broker.
2. Share certificates may not be dematerialised or rematerialised between Wednesday, 4 April 2018 and Friday, 6 April 2018, both days inclusive.
3. Dematerialised Shareholders with have their accounts at their CSDP or Broker automatically credited with their rights and Certificated Shareholders will have their rights credited to a nominee account at Link Market Services.
4. CSDP's effect payment in respect of Dematerialised Shareholders on a delivery-versus-payment basis.

Dear Sir/Madam

1. RIGHTS OFFER

Finbond hereby offers, upon the terms and conditions stated in the Circular dated Tuesday, 3 April 2018 (which shall, if in conflict with the information set out below, take precedence) to the holder(s) of the number of Finbond Shares in Block (2), recorded in the Register at the close of business on Friday, 6 April 2018 (Record Date for the Rights Offer - the initial record date), rights to subscribe for the number of Rights Offer Shares set out in Block (3).

The Subscription Price is 239 cents per Rights Offer Share, payable in Rand.

2. ALLOCATION

The number of Rights Offer Shares stated in Block (3) has been allocated for subscription to the Finbond Shareholder named in Block (1). The allocation of Rights Offer Shares will be such that Finbond Shareholders will not be allocated a fraction of a new Finbond Share.

3. ACCEPTANCE

3.1 Finbond Shareholders who wish to accept the Rights Offer to subscribe for Rights Offer Shares must complete Blocks (5), (6) and (7).

3.2 If the Finbond shareholder whose name appears in Block (1) wishes to subscribe for the Rights Offer Shares stated in Block (3) (or any lesser number), this Form of Instruction duly completed together with payment in terms of 3.3 below, must be delivered or sent by registered post (in the latter's case at the sender's risk) to the Transfer Secretaries above, to be received by 12:00 on Friday, 20 April 2018. All acceptances of the Rights Offer sent by post by the beneficial holder will be accepted, provided the envelope is received by no later than 12:00 on Friday, 20 April 2018. No late postal acceptances will be accepted.

3.3 Payment for the Rights Offer Shares subscribed for must be made in full by a check drawn on a South African bank or banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable", and in the case of a cheque with the words "or bearer" deleted) in favour of "**Finbond Group Limited – Rights offer**":

- payable in South African Rand; and
- lodged together with this duly completed Form of Instruction.

3.4 The lodging or posting of this duly completed Form of Instruction and the payment of the relevant cheque/banker's draft in compliance with 3.1 and 3.2 above will be an acceptance of the Rights Offer by the Shareholder concerned and an irrevocable authority to allot the Rights Offer Shares in question, subject to the MOI of Finbond.

3.5 No receipt will be given for a cheque/banker's draft received in accordance with this Rights Offer.

3.6 All cheques and banker's drafts will be deposited immediately for payment. Should any payment be refused, Finbond may in its sole discretion treat the relevant acceptance of Rights Offer Shares, if any, as void or may tender delivery of the appropriate Finbond Share certificate to which this acceptance relates against payment in cash of the amount payable in terms thereof.

3.7 If this Form of Instruction is not lodged and completed fully and properly (the Transfer Secretaries shall be entitled to determine in their sole and absolute discretion whether such Form of Instruction has been completed fully and properly), and payment of the required amount is not received, by 12:00 on Friday, 20 April 2018, in terms of the provision of 3.1 above, then the Finbond Shareholder will be deemed to have declined the Rights Offer to subscribe for Rights Offer Shares in terms of the Rights Offer and the right to subscribe for Rights Offer Shares offered in terms of this Form of Instruction lapse, irrespective of who holds it.

4. RENUNCIATION OF SALE

4.1 If the Finbond Shareholder whose name appears in Block (1) wishes to sell or renounce part or all of his Rights, then:

- such Finbond Shareholder must complete Form A or Form B of this Form of Instruction. This must be sent to Link Market Services in accordance with the instructions contained herein, to be received by not later than 12:00 on Tuesday, 17 April 2018, if you wish to sell your Rights Offer Entitlement, and by 12:00 on Friday, 20 April 2018, if you wish to renounce your Rights Offer Entitlement. Link Market Services will endeavour to procure the sale of the Rights on the JSE on behalf of such Certificated Shareholder and will remit the proceeds in accordance with the payment instruction reflected in this Form of Instruction, net of brokerage charges and associated expenses. Link Market Services South Africa Proprietary Limited will not have any obligation, or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, to the price obtained or any failure to sell such Rights Offer Entitlement;
- the Renounee who wishes to accept the Rights Offer must complete Form C on page 5 of this Form of Instruction. The Renounee must also lodge this Form of Instruction and make payment, in terms of 3.3 above, for the Rights Offer Shares in respect of which the Rights Offer is accepted.

4.2 The lodging of this Form of Instruction, with Form B purporting to be signed by the Finbond Shareholder(s) whose name(s) appear thereon, will be conclusive evidence of the right of the Renounee:

- to deal with this Form of Instruction; or
- to have the Rights in question allotted and receive certificates in respect thereof.

Finbond will not be obliged to investigate whether Form B or Form C has been properly signed or investigate any fact surrounding the signing or lodging of such form

By order of the Board

FINBOND GROUP LIMITED

DR. W VAN AARDT

CEO

Pretoria

Tuesday 3 April 2018

GENERAL INSTRUCTIONS AND NOTES:

1. POWERS OF ATTORNEY

If this Form of Instruction is signed under a power of attorney then such power of attorney must be sent to Link Market Services, for registration, unless it has already been registered by them.

2. DECEASED ESTATES AND TRUSTS

Rights Offer Shares will not be allocated in the name of a deceased estate, a trust or a person under contractual disability. Therefore, when the Rights to Rights Offer Shares has accrued to a deceased person, an estate, the executor or trustee, parent/guardian or curator (as the case may be) must complete Form B on page 6 of this Form of Instruction in his representative capacity (which authority must be lodged with the Transfer Secretaries) and Form C on page 6 of this Form of Instruction must be completed by the person in whose name the Rights Offer Shares are to be allocated, without any reference to the estate, the trust or the beneficial owner. Letters of Executorship (if not previously registered) should be submitted to the Transfer Secretaries for record purposes.

3. JOINT HOLDERS

All joint holders of Finbond Shares must sign where applicable.

4. SHARE CERTIFICATES

4.1 If the Rights Offer is accepted, then the Finbond Share certificate will be posted by registered post, on or about Monday, 23 April 2018, to the certificated shareholder's address as shown in the Register at such Certificated Shareholder's risk or, if an alternate address is given in the "Postal instructions" on page 6 of this Form of Instruction, to such address.

4.2 As Finbond uses the certified transfer deeds and other temporary documents of title procedure approved by the JSE, "Block" certificates will be issued in respect of Rights Offer Shares.

5. JURISDICTION

The distribution of this Circular, the Rights Offer, the Form of Instruction and the transfer of the Rights Offer Shares and/or the Rights to subscribe for the Rights Offer Shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this Circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this Circular and any Form of Instruction are sent for information purposes only.

It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights under the Rights Offer, to satisfy himself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

6. EXCHANGE CONTROL REGULATIONS

5.1 The following summary is intended only as a guide and is, therefore, not comprehensive. If you are in any doubt as to the appropriate course of action, please consult your professional adviser.

5.2 In terms of the Exchange Control Regulations governing the rights offer, a "non-resident" endorsement has been applied to Letters of Allocation issued to Shareholders who are non-residents of the Common Monetary Area.

5.3 In terms of the Exchange Control Regulations, non-residents who are not former residents may:

5.3.1 take up Rights allocated to them in terms of the Rights Offer;

5.3.2 purchase Rights on the JSE; and/or

5.3.3 subscribe for the Rights Offer Shares in terms of the Rights Offer, provided payment is received through normal banking channels or from a non-resident account. Share certificates issued pursuant to the application must be endorsed "non-resident".

5.4 Where Rights are sold on the JSE on behalf of Finbond Shareholders who are non-residents of the Common Monetary Area, the proceeds of such Rights are freely remittable through an authorised dealer in foreign exchange.

5.5 Where a Right in terms of the Rights Offer falls due to an emigrant of the Common Monetary Area ("emigrant"), which Right is based on an investment which is blocked in terms of the Exchange Control Regulations, then blocked funds may be used to:

5.5.1 take up Rights allocated to such emigrant in terms of the Rights Offer;

5.5.2 purchase Rights on the JSE; and/or

5.5.3 subscribe for Rights Offer Shares in terms of the Rights Offer.

5.6 All applications by emigrants using blocked Rand for the above purposes must be made through the South African authorised dealer controlling their blocked assets. Finbond Share certificates issued pursuant to blocked Rand transactions must be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

5.7 Where Rights are sold on the JSE on behalf of Finbond Shareholders or Renounees who are emigrants, which rights are based on an investment which is blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to their respective blocked Rand accounts.

7. NON-RESIDENT SHAREHOLDERS

The attention of Shareholders resident outside the Common Monetary Area is drawn to paragraph 4.9 of the Circular. It is the responsibility of all such persons (including without limitation, nominees and trustees) wishing to accept, the Rights Offer to satisfy themselves of the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes in connection therewith due in such territory.

8. JSE LISTING

The JSE has granted a listing of the Rights (in terms of the Letters of Allocation) to be issued in respect of a total of 172 609 725 Rights Offer Shares from the commencement of trade on Wednesday, 4 April 2018 to the close of trade on Tuesday, 17 April 2018, both days inclusive and for the total number of 172 609 725 Rights Offer Shares from the commencement of trade on Wednesday, 18 April 2018.

<p>FORM A:</p> <p>INSTRUCTION TO SELL LETTERS OF ALLOCATION</p> <p>(To be completed and signed by the Qualifying Certificated Shareholder named in Block (1) on page 1 of this Form of Instruction if Letters of Allocation are to be sold.)</p> <p>To Link Market Services South Africa (Pty) Limited,</p> <p>FINBOND GROUP LIMITED</p> <p>I/We hereby instruct Link Market Services to pay the proceeds, if any, of the sale of (insert number) of the rights allocated to me/us in terms of this Form of Instruction less R154.48 (inclusive of VAT) for trades of less than or equal to R40 000 and R154.48 plus 0.35% of the value of trades plus VAT for amounts greater than R40 000).</p>	<p>Stamp and endorsement of selling Broker (if any) or stamp or name and address of lodging agent</p>
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; padding: 2px;"> <p style="font-size: small; text-align: center;">(please insert the number of rights to be sold)</p> </div>
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	
<p>Signed _____</p>	<p>Date _____ 2018</p>
<p><i>Payment Instructions</i></p> <p>Tick appropriate box</p> <p>PLEASE USE BLOCK LETTERS</p>	
<p><input type="checkbox"/> 1. By cheque, which should be posted at my/our own risk to the following address:</p> <p>_____</p> <p>_____</p>	
<p><input type="checkbox"/> 2. By EFT to the following bank account</p> <p><i>Certified copies of the bank statement and Identification Document must be attached to the Form of Instruction when payment via EFT is requested and same has not been submitted to the Transfer Secretaries to date.</i></p> <p>Name of account holder _____</p> <p>Name of bank _____</p> <p>Branch code _____</p> <p>Account number _____</p> <p>Type of account _____</p> <p>Branch name _____</p>	
<p>PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETED OR IF CONFLICTING INSTRUCTIONS ARE GIVEN, A CHEQUE IN PAYMENT OF THE AMOUNT DUE WILL BE SENT TO THE ADDRESS RECORDED IN FINBOND SHAREHOLDER REGISTER</p>	

FORM D:

POSTAL INSTRUCTIONS

Finbond Share certificate should be forwarded at my/our risk, to the following address: (BLOCK LETTERS)

Postal code:

(If no specific instructions are given here, the Finbond Share certificate will be forwarded to the address show on page 1.)

A Shareholder wishing to collect his/her/its new Finbond Share certificate from the Transfer Secretaries must tick this block.

Date

2018