

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 7 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 3 to 5 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 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 3 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: ZAE00013895  
("Finbond" or "the Company")

## CIRCULAR TO FINBOND SHAREHOLDERS

regarding:

- an underwritten renounceable Rights Offer of 157 185 629 new Finbond Shares, to be issued at a Subscription Price of 334 cents per Share, in the ratio of 25.98001 Rights Offer Shares for every 100 Finbond Shares held at the close of business on Friday, 26 February 2016, thereby raising R525 million of new 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 Advisor and Sponsor

Grindrod Bank

### Legal Advisor

MacRobert Attorneys

### Underwriter

Midbrook Lane (Pty) Ltd



MIDBROOK LANE (PTY) LTD

Date of issue: Monday, 22 February 2016

*This Circular is available in English only. Copies of this Circular may be obtained from the registered offices of Finbond, the Corporate Advisors and Sponsor and the Transfer Secretaries whose addresses are set out in the "Corporate information and advisors" section of this Circular, from Tuesday, 23 February 2016 to Friday, 11 March 2016. This Circular will also be available on the Company's website ([www.finbondlimited.co.za](http://www.finbondlimited.co.za)) from Monday, 22 February 2016. 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 advisor in the relevant jurisdiction without delay.

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## CORPORATE INFORMATION AND ADVISORS

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### Directors

Dr van Aardt (*Chief Executive Officer*)  
G Sayers (*Chief Financial Officer*)  
C van Heerden (*Chief Operating Officer*)  
Dr M Motlatla#\* (*Chairperson*)  
R Emslie#\*  
D Brits#\*  
R Xaba#\*  
Adv N Melville#\*  
Adv J Noeth#\*  
I Wilken-Jonker#

# Non-executive

\* Independent

### Corporate Advisor and Sponsor

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

### Underwriter

Midbrook Lane (Pty) Ltd  
The Business Centre  
Leslie Road Fourways  
2191

### 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)  
Bank Forum Building  
Cnr Veale and Fehrsen Street  
Nieuw Muckleneuk, Brooklyn  
Pretoria, 0181  
(PO Box 2127, Brooklyn Square, 0075)

**Website:** [www.finbondlimited.co.za](http://www.finbondlimited.co.za)

**Date of incorporation:** 2 July 2001

**Place of Incorporation:** Pretoria, South Africa

### Legal Advisor

MacRobert Attorneys  
MacRobert Building  
Cnr Justice Mahomed & Jan Shoba Streets  
Brooklyn  
Pretoria  
RSA

### Transfer Secretaries

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

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## **FORWARD-LOOKING STATEMENTS**

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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.

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## **ACTION REQUIRED BY FINBOND SHAREHOLDERS**

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The definitions and interpretations commencing on page 7 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 Friday, 4 March 2016, and must be received by the Transfer Secretaries by no later than 12:00 on Friday, 11 March 2016; 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, 11 March 2016, 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  
13<sup>th</sup> Floor, Rennie House,  
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, 11 March 2016.

You are permitted to apply for additional Rights Offer Shares over and above your entitlement. If you wish to apply for excess Rights Offer Shares 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 above, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 11 March 2016.

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, 11 March 2016, 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.

You are permitted to apply for additional Rights Offer Shares over and above your entitlement. If you wish to apply for excess Rights Offer Shares you should instruct your CSDP or Broker as to the number of excess Rights Offer Shares for which you wish to apply.

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.

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## IMPORTANT DATES AND TIMES

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The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* to this section.

**2016**

Rights Offer Declaration and Finalisation Data announcement released on SENS	Friday, 12 February
Last day to trade in Finbond Shares in order to participate in the Rights Offer ( <i>cum entitlement</i> )	Friday, 19 February
Listing of and trading in the Letters of Allocation on the JSE under JSE code FGLN and ISIN ZAE000214581 commences at 09:00	Monday, 22 February
Finbond Shares commence trading <i>ex-Rights</i> on the JSE at 09:00	Monday, 22 February
Circular ( <i>and Form of Instruction</i> ) posted to ( <i>Certificated</i> ) Shareholders	Tuesday, 23 February
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, 26 February
Rights Offer opens at 09:00	Monday, 29 February
Certificated Shareholders will have their Letters of Allocation credited to an electronic account held at the Transfer Secretaries	Monday, 29 February
Dematerialised Shareholders will have their Letters of Allocation credited to their accounts held at their CSDP or broker	Monday, 29 February
Last day for trading Letters of Allocation on the JSE	Friday, 4 March
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00	Monday, 7 March
Rights Offer closes at 12:00. Payment to be made and Form of Instruction lodged by Certificated Shareholders at the Transfer Secretaries	Friday, 11 March
Record Date for Letters of Allocation	Friday, 11 March
Rights Offer Shares issued and posted to Shareholders in certificated form on or about	Monday, 14 March
CSDP or Broker accounts in respect of Dematerialised Shareholders will be updated with Rights Offer Shares and debited with any payments due	Monday, 14 March
Results of Rights Offer announced on SENS	Monday, 14 March
In respect of successful excess applications (if applicable), Rights Offer Shares issued to Qualifying Dematerialised Shareholders and or Share certificates posted to Qualifying Certificated Shareholders on or about	Wednesday, 16 March
In respect of unsuccessful excess applications (if applicable), refund payments made to Certificated Shareholders on or about	Wednesday, 16 March

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### Notes:

1. All references to dates and times are to local dates and times in South Africa.
  2. 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.
  3. Finbond Share certificates may not be dematerialised or rematerialised between Monday, 22 February 2016 and Friday, 26 February 2016, both days inclusive.
  4. CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery versus payment basis.
  5. 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.
  6. 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.
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## DEFINITIONS AND INTERPRETATIONS

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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;
“Finbond Securities”	Finbond Securities (Pty) Ltd, (Registration number 1998/023394/07), a private company incorporated in accordance with the laws of South Africa and a 100% subsidiary of Finbond;
“Board” or “Directors”	the board of directors of Finbond, as set out in paragraph 9 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;
“Canadian Dollar” or “CAD\$”	the official currency of Canada;
“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 Monday, 22 February 2016, 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 Advisor and Sponsor” or “Grindrod Bank”	Grindrod Bank Limited (Registration number 1994/00794/06), a public company incorporated and registered in South Africa, the corporate advisor 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 transfers;
“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, 12 February 2016, 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 the main board of the exchange operated by the JSE, and its Subsidiaries, referred to collectively;
“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 Investments (Proprietary) Limited, (Registration number 1998/024624/07), a private company duly incorporated in accordance with the laws of South Africa, of which Dr. W. van Aardt (the Chief Executive Officer of Finbond Group Limited) was the founder, and of which Dr. W van Aardt is a Director and the VanAardt Family Trust is the ultimate beneficial shareholder with 100% shareholding in Kings Reign Investments (Pty) Ltd. Dr. W van Aardt is the settlor of the Van Aardt Family Trust.
“Last Practicable Date”	8 February 2016, the last practicable date prior to the finalisation of this Circular;
“Legal Advisor”	MacRobert Attorneys (Incorporated No. 1978/004694/21) of MacRobert Building, cnr Justice Mahomed & Jan Shoba Streets, Brooklyn, Pretoria, RSA.
“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”	Net 1 Finance Holdings (Proprietary) Limited, (Registration number 1998/020801/07), a private limited liability company duly incorporated in accordance with the laws of South Africa, owned by NET1 U.E.P.S. Technologies Inc. and a 26.5% shareholder of Finbond;
“North America”	The United States of America and Canada;
“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 25.98001 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, 11 March 2016;
“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, 26 February 2016;
“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 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;
“the Rights Offer Shares”	the 157 185 629 Finbond Shares, which are the subject of the Rights Offer;
“SENS”	Stock Exchange News Service of the JSE;
“South Africa” or “SA”	Republic of South Africa;
“State”	one of the 50 states of the United States of America;
“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”	334 cents per Rights Offer Share, payable on subscription for the Rights Offer Shares;
“Subsidiary”	a subsidiary of Finbond as defined in the Companies Act;

“Underwriter”	Midbrook Lane (Pty) Ltd (Registration number 2011/112842/07), a company duly registered and incorporated in accordance with the laws of South Africa;
“Underwriting Agreement”	The underwriting agreement entered into between Finbond Group Limited and Midbrook Lane (Pty) Ltd in terms of which Midbrook Lane (Pty) Ltd will underwrite R525 000 000 of the rights issue in return for a fee of 2.5%; and in terms of which KRI irrevocably committed to follow R75 000 000 of their rights and Net 1 irrevocably committed to follow 100% of their rights.
“United States of America” or “USA”	The United States of America comprising 50 states and the federal District of Columbia;
“USA Dollar” or “US\$”	United States 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: ZAE00013895  
("Finbond" or "the Company")

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### CIRCULAR TO FINBOND SHAREHOLDERS

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#### 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

It was announced on SENS on Friday, 12 February 2016 that Finbond intends to raise an amount of R525 million from its Shareholders by way of an underwritten renounceable Rights Offer.

In terms of the Rights Offer, 157 185 629 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, 26 February 2016 who will receive Rights to subscribe for Rights Offer Shares on the basis of 25.98001 Rights Offer Shares for every 100 Finbond Shares held, for subscription at 334 cents per Rights Offer Share. Only whole numbers of Shares will be issued and Finbond Shareholders will be entitled to a rounded number of Shares, as set out in paragraph 5.5, 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 establishing a business presence in the North American pay day lending (short-term lending) market through acquisitions and subsequent organic growth of a number of pay day lenders in North America that specialise in the advancement of short-term credit.

The initial phase of this strategy will be through the acquisition of 4 North American pay day lending businesses in the United States of America and Canada that will give Finbond a branch network of 91 branches in North America and Canada of which 85 will be in the United States of America ("USA") and 6 in Canada. Following these acquisitions approximately 40% - 50% of Finbond's Net Earnings will be denominated in US\$ within 12 months of the effective date and the intention is to grow US\$ earnings to approximately 70% - 80% of net earnings in 3 to 5 years.

The purpose of the Rights Offer is to provide Finbond with capital in the amount of R525 million to enable it to conclude the initial North American acquisitions and for general working capital, funding and future growth.

The rationale for the North American acquisitions *inter alia* includes:

- Earnings enhancing growth;
- Significant growth and consolidation opportunity in the North American pay day lending industry;
- Organic growth in Finbond's core "30 day" or "pay day lending" competency;
- Diversification of Country and Political Risk;
- Effective ZAR hedge. Approximately 40% - 50% of earnings will be in hard currency 12 months after the North American acquisitions;
- Economies of scale;
- Teaming up with existing owners/managers with 10 - 30 years' experience in operating pay day lending businesses in North America;
- Unique opportunity for South Africa's largest short-term micro lender to enter the USA pay day lending market.

### 3. USA PAY DAY LENDING FEATURES, NORTH AMERICAN ACQUISITIONS AND GROWTH STRATEGY

#### 3.1 Key features of the USA pay day lending market in the USA

- US\$38.5 billion dollars (R616 billion) in loans granted per year.<sup>1</sup>
- US\$46 billion industry (R736 billion) in revenues across the industry.<sup>2</sup>
- Estimated 20 600 pay day lending stores.<sup>3</sup>
- 19 million North American households use pay day loans annually.<sup>3</sup>
- A typical pay day loan is US\$300 borrowed over a 21 day period.
- Various similarities between the South African 30 day micro credit industry and the USA pay day lending industry.

#### 3.2 Pay day lending regulation in the USA market

- Consumer Financial Protection Bureau formed in 2011.
- Pay day lending in North America is regulated on a State by State basis.
- 27 States authorise unrestricted pay day lending. 9 States authorise some form of term lending. Only 14 States and the District of Columbia heavily regulate and limit personal lending.
- USA and Canada regulation is significantly more favourable than micro lending regulation in South Africa.<sup>4</sup>
- When considering the current regulatory environment in South Africa in comparison to that of the USA and Canada, Finbond is well positioned to cope with current and future USA and Canadian regulation.

#### 3.3 USA pay day lending customer demographics<sup>5</sup>

- Majority of customers earn between US\$25 000 and US\$50 000 per annum.
- 90% have a high school diploma or better.
- 54% have some college qualification or degree.
- 100% have steady incomes and 100% have checking accounts.
- 88% of customers believe it is a useful product.
- 89% of customers were satisfied with their last transaction.

#### 3.4 The North American acquisitions

As stated above, Finbond has embarked upon an earnings enhancing growth strategy in terms of which Finbond will enter and expand its short-term lending business into the North American pay day lending (short-term lending) market. The initial phase of this strategy will be through the acquisition of 4 North American pay day lending businesses in the United States of America and Canada that will give Finbond a branch network of 91 branches in North America and Canada of which 85 will be in the United States of America (“USA”) and 6 in Canada.

To this end the Company has concluded 4 unrelated acquisition agreements on Tuesday, 2 February 2016, following the required internal authorities being granted, as announced on SENS on Friday, 5 February 2016:

- an agreement to acquire all of the Shares and Shareholder’s claims in TV Profile LLC trading as ‘American Cash Advance – Pay day Cash Loans’ with its 41 branches in Louisiana and Mississippi, USA (“**the American Cash Advance Acquisition**”);
- an agreement to acquire all claims in the unincorporated business carried on under the name Cash Shop with its 6 branches in Canada (“**the Cash Shop Canada Acquisition**”);
- an agreement to acquire the Shares and Shareholder’s claims in Cash in a Flash Advertising USA Inc. trading as ‘Cash in a Flash’ and ‘Xtra Cash’ with its 8 branches in Indiana, USA (“**the Cash in a Flash Acquisition**”); and
- an agreement to acquire 50% of the Shares and Shareholders’ claims in Cashback LLC trading as ‘Cashback pay day Advance’, ‘Cashback Loans’ and ‘Cashback’ with its 37 branches (and in the process of expanding by a further 5 branches) in Southern California, USA (“**the Cashback Acquisition**”); (collectively, “the Acquisitions”).

<sup>1</sup>ERLC. 28 May 2015. 5 Facts About pay day Lending. [Online]: <https://erlc.com/article/5-facts-about-pay-day-lending>

<sup>2</sup>WSJ. 4 Jan 2015. Wall Street Journal. [online]: <http://www.wsj.com/articles/cfpb-sets-sights-on-pay-day-loans-1420410479>

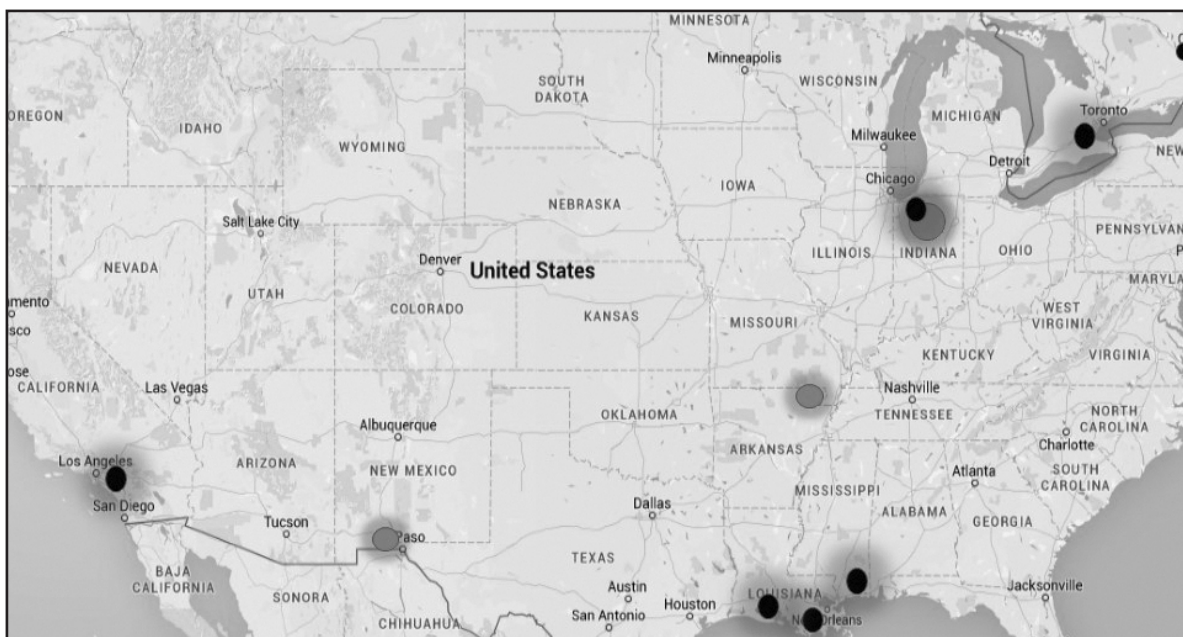
<sup>3</sup>CFSA. Community Financial Services Association of America. [Online]: <http://cfsaa.com/about-the-pay-day-advance-industry.aspx>

<sup>4</sup>Pew Charitable Trust. 2014. [Online]: <http://www.pewtrusts.org/en/multimedia/data-visualizations/2014/state-pay-day-loan-regulation-and-usage-rates>

<sup>5</sup>CFSA. Customer Demographics. [Online]: <http://cfsaa.com/about-the-pay-day-advance-industry/customer-demographics.aspx>



Following the acquisitions Finbond will have a branch network of 91 branches in North America and Canada of which 85 will be in the United States of America's states of California, Louisiana, Mississippi and Indiana and 6 in Canada's Ontario Province.



### 3.5 Growth Strategy

It is the intention to significantly expand Finbond's North American business over the next 3 to 5 years both through organic growth and acquisitions.

High levels of fragmentation in the North American Pay Day Lending industry will precipitate industry consolidation. This will present opportunities for Finbond to grow its business through strategic acquisitions.

It is the intention to acquire between 50 and 100 USA pay day lending stores per year in states with favourable regulation over the next 5 years.

### 3.6 Salient details regarding the North American acquisitions

Each of the American Cash Advance Acquisition, the Cashback Acquisition and the Cash Shop Acquisition are categorised as Category 2 transactions in terms of the JSE Limited Listings Requirements. The Cash in a Flash Acquisition detailed above is not categorised in terms of the JSE Limited Listings Requirements.

#### 3.6.1 American Cash Advance Acquisition

##### Nature of business

American Cash Advance specialises in offering short-term pay day lending products directly to customers via 41 branch locations in Louisiana and Mississippi, USA. The business started in 2001 with only one store and has grown from strength to strength ever since. Currently the business grants more than US\$39 million (R624 million) in loans annually.

##### Salient features

The salient features of the American Cash Advance Acquisition are as follows:

- The purchase consideration payable by Finbond to the vendor is US\$8 million.
- The vendor provided a profit warranty to achieve a net profit before tax ("NPBT") of US\$2 million.
- 50% of the purchase consideration set out above will be payable on the effective date of the transaction in cash.
- The balance of the purchase consideration, being US\$4 million, will be paid to the vendors in cash following the determination of the NPBT of the subject of the transaction for the 12-month period ended 28 February 2017. For every US\$1 by which NPBT for this period differs from the US\$2 million profit warranty, the payment of US\$4 million will be adjusted up or down, as the case may be, by US\$4 for every US\$1 that it deviates from the warranted profit. The maximum adjustment to this payment, either up or down, will be US\$4 million.

- The vendor in respect of the American Cash Advance Acquisition is Paul Angelette.
- The effective date of the American Cash Advance Acquisition is 1 March 2016.
- The net asset value and net after tax profit of the subject of the transaction amounted to US\$2.01 million and US\$1.3 million respectively, based on unaudited results for the 12 months ended 31 December 2015.

#### **Conditions precedent**

The American Cash Advance Acquisition remains subject to the following conditions precedent:

- The unconditional approval of the transaction by the Finbond Board which is subject to a successful Rights Offer.
- Finbond securing all regulatory and exchange control approvals that are required.

### **3.6.2 The Cash Shop Canada Acquisition**

#### **Nature of business**

Cash Shop, based in Ontario Canada, was started by the current owners in 2004. Cash Shop specialises in pay day lending conducting business mainly in Ontario, Canada. Cash Shop currently has 6 stores on corporate level, which are the subject of this transaction, advancing more than US\$7 million (approximately R112 million) in loans annually, as well as 22 more franchised stores throughout the province of Ontario.

#### **Salient features**

- The purchase consideration payable by Finbond to the vendor is CAD\$6.5 million.
- The vendor provided a profit warranty to achieve a NPBT of CAD\$1 million.
- CAD\$2.75 million of the purchase consideration set out above will be payable on the effective date of the transaction in cash.
- The balance of the purchase consideration, being CAD\$3.75 million, will be paid to the vendors in cash following the determination of the NPBT of the subject of the transaction for the 12-month period ended 28 February 2017. For every CAD\$1 by which NPBT for this period differs from CAD\$1 million, the amount of CAD\$3.75 million will be adjusted up or down, as the case may be, by CAD\$5.50. The maximum adjustment to this payment of CAD\$2.75 million, either up or down, will be CAD\$2.75 million.
- The vendor in respect of the Cash Shop Acquisition is 2473614 Ontario Incorporated.
- The effective date of the Cash Shop Acquisition is 1 March 2016.
- The net asset value and net after tax profit of the subject of the transaction amounted to CAD\$738 385 and CAD\$194 209 respectively, based on unaudited results for the 12 months ended 31 December 2015.

#### **Conditions precedent**

The Cash Shop Acquisition remains subject to the following conditions precedent:

- The unconditional approval of the transaction by the Finbond Board which is subject to a successful Rights Offer.
- Finbond securing all regulatory and exchange control approvals that are required.

### **3.6.3 The Cash in a Flash Acquisition**

#### **Nature of business**

Cash in a Flash was founded by the current owner in September of 1995. The business specialises in short-term pay day lending operating via 8 customer facing stores in Indiana, USA granting more than US\$2.5 million (R40 million) in loans annually.

#### **Salient features**

The salient features of the Cash in a Flash Acquisition are as follows:

- The purchase consideration payable by Finbond to the vendor is US\$1.2 million. The vendor provided a profit warranty to achieve a net profit after tax ("NPAT") of US\$300 000.
- 50% of the purchase consideration set out above will be payable on the effective date of the transaction in cash.
- The balance of the purchase consideration, being US\$600 000, will be paid to the vendor in cash following the determination of the NPAT of the subject of the transaction for the 12-month period ended 28 February 2017. For every US\$1 by which NPAT for this period differs from US\$300 000, this payment of US\$600 000 will be adjusted up or down, as the case may be, by US\$4. The maximum adjustment to this payment of US\$600 000, either up or down, will be US\$300 000.



- The vendor in respect of the Cash in a Flash Acquisition is Rick Matjevich.
- The effective date of the Cash in a Flash Acquisition is 1 March 2016.
- The net asset value and net after tax profit of the subject of the transaction amounted to US\$669 847 and US\$111 123 respectively, based on unaudited results for the 12 months ended 31 December 2015.

#### **Conditions precedent**

The Cash in a Flash Acquisition remains subject to the following conditions precedent:

- The unconditional approval of the transaction by the Finbond Board which is subject to a successful Rights Offer.
- Finbond securing all regulatory and exchange control approvals that are required.

### **3.6.4 Cashback Acquisition**

#### **Nature of business**

Cashback started doing business in 2003, with a focus on short-term pay day lending in San Bernardino, California USA.

Since then, Cashback has grown to 37 locations throughout southern California and is currently expanding its branch network by adding a further 5 locations.

Cashback grants loans to the value of US\$75 million (R1.2 billion) annually.

#### **Salient features**

The salient features of the Cashback Acquisition are as follows:

- The purchase consideration payable by Finbond to the vendors is US\$8 million for 50% of the shares in the business.
- The vendor provided a profit warranty to achieve an earnings before interest, taxation, depreciation and amortisation ("EBITDA") of US\$3.2 million for the year ending 28 February 2017.
- 50% of the purchase consideration set out above will be payable on the effective date of the transaction in cash.
- The balance of the purchase consideration, being US\$4 million, will be paid to the vendors in cash following the determination of the EBITDA of the subject of the transaction for the 12-month period ended 28 February 2017. For every US\$1 by which EBITDA for this period differs from US\$3.2 million, this payment of US\$3.2 million will be adjusted up or down, as the case may be, by US\$5. The maximum adjustment to this payment of US\$4 million, either up or down, will be US\$4 million.
- The vendors in respect of the Cashback Acquisition are Treasure Box Lp, Oh Ten Management LLC and Franklin Otten in respect of 45.54% of the equity, with the balance being acquired from 43 other entities and individuals each of which individually owns less than 5% of the equity.
- The effective date of the Cashback Acquisition is 1 March 2016.
- The net asset value and net after tax profit of the subject of the transaction amounted to US\$8.5 million and US\$1.7 million respectively, based on unaudited results for the 12 months ended 31 December 2015.

#### **Conditions precedent**

The Cashback Advance Acquisition remains subject to the following conditions precedent:

- The unconditional approval of the transaction by the Finbond Board which is subject to a successful Rights Offer.
- Finbond securing all regulatory and exchange control approvals that are required.

## 4. NATURE OF THE BUSINESS OF FINBOND AND PROSPECTS

### 4.1 Nature of business

Finbond is a leading South African 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 conducts its business through 2 major divisions focussed on:

- Short-Term Micro Credit Products; and
- Investment and Savings Products

Short-Term Micro Credit Products are currently offered nationally in South Africa to the under-banked and underserved market of more than 40% of the adult population in South Africa 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's Micro Credit division currently operates nationally through 342 branches in South Africa. For the 12 months ended 28 February 2015 Finbond granted loans of R765.7 million and received cash payments of R1.07 billion from clients. 100% of customer payments are collected via advanced direct debit orders. Finbond's Short-Term Micro Credit division is the largest provider of 30-day loans in South Africa with a market share of approximately 24%.

Through the strategic acquisitions Finbond is expanding its Short-Term Micro Credit Product division into the North American pay day lending market through partnering with existing pay day lending stores with solid track records of success and healthy cash generative short-term debtors books. Following the strategic acquisitions, Finbond's North American Short-Term Micro Credit Division will be advancing approximately US\$130 million (R2.1 billion) per annum.

The rationale for the North American acquisitions *inter alia* includes:

- Earnings enhancing growth;
- Significant growth and consolidation opportunity in the North American pay day lending industry.
- Organic growth in Finbond's core "30 day" or "pay day lending" competency;
- Diversification of Country and Political Risk;
- Effective ZAR hedge. Approximately 40% - 50% of earnings will be in hard currency 12 months after the North American acquisitions;
- Economies of scale;
- Teaming up with existing owners/managers with 10 - 30 years' experience in operating pay day lending businesses in North America;
- Unique opportunity for South Africa's largest short-term micro lender to enter the USA pay day lending market.

Following the expansion to North America, Finbond will also offer pay day loans and related products in the USA through 85 branches in the USA and 6 branches in Canada.

Finbond commenced trading in 2003, was listed on the main board of the exchange operated by the JSE in 2007 and received its mutual banking licence from the South African Reserve Bank in 2012.

Finbond's management team has a long and successful track record within the banking, short-term micro finance and financial services sectors. This, combined with well-developed systems, uniquely branded product offerings, advanced information technology and a well-trained staff complement, provide Finbond with a sound platform for future growth.

### 4.2 Prospects

As an expert short-term micro 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 from the introduction of new regulations in the North American pay day lending market

Finbond is currently preparing itself to undergo a period of rapid expansion in order to gain significant market share in the North American pay day lending market.

Finbond's key growth drivers are as follows:

- Following the North American acquisitions, Finbond will own 91 branches in a 20 600 branch market in North America giving it significant room for growth.
- Competition and pressures to further formalise the pay day lending market in North 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 a pay day 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 pay day lending industry, specifically in North America.

## **5. PARTICULARS OF THE RIGHTS OFFER**

### **5.1 Terms of the Rights Offer**

- 5.1.1 Finbond Shareholders recorded in the Register at the close of business on Friday, 26 February 2016, are offered Rights Offer Shares at a Subscription Price of 334 cents per Rights Offer Share in the ratio of 25.98001 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.
- 5.1.2 The Subscription Price represents a discount of 10% to the 30 day volume weighted average price of Finbond Shares as at 14 January 2016. Finbond will raise a maximum amount of R525 million in terms of the Rights Offer.
- 5.1.3 The Record Date for the Rights Offer for purposes of determining which Shareholders are entitled to participate in the Rights Offer is Friday, 26 February 2016.
- 5.1.4 Upon their issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing Finbond Shares.
- 5.1.5 The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the JSE on Monday, 22 February 2016 under the JSE code FGLN and ISIN ZAE000214581. The Rights Offer Shares can be traded from Monday, 7 March 2016.
- 5.1.6 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.
- 5.1.7 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.
- 5.1.8 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.

### **5.2 Opening and closing dates of the Rights Offer**

The Rights Offer will open at 09:00 on Monday, 29 February 2016 and will close at 12:00 on Friday, 11 March 2016.

### **5.3 Minimum subscription**

The Rights Offer is underwritten as set out in paragraph 5.4 and is not conditional on a minimum subscription.

## 5.4 Underwriting

- 5.4.1 In terms of the Underwriting Agreement, KRI irrevocably committed to subscribe for R75 000 000 (22 455 090 Rights Offer Shares) and Net 1 irrevocably committed to subscribe for R136 050 642 (40 733 725 Rights Offer Shares). The balance of the Rights Offer, being R313 949 358 has been underwritten by Midbrook. The net effect is that Finbond has commitments for the take up of the full Rights Offer amount of R525 000 000.
- 5.4.2 In terms of the Underwriting Agreement, an underwriting fee of 2.5% of the quantum of the Rights Offer which is underwritten, excluding the amounts to be subscribed for by KRI and Net1, is payable by Finbond to the Underwriter in consideration for the commitments provided in terms of the Underwriting Agreement.
- 5.4.3 Disinterested members of the Board have made due and careful enquiry to confirm that the Underwriter can meet its underwriting commitments in terms of the Underwriting Agreement.
- 5.4.4 Details of the Underwriter, as required in terms of the Listings Requirements, are set out in Annexure 3 to this Circular.
- 5.4.5 There have been no commissions, discounts or brokerages paid or payable in respect of underwriting within the preceding 3 years.

## 5.5 Entitlement

- 5.5.1 Shareholders will have the right to subscribe for 25.98001 Rights Offer Shares for every 100 Finbond Shares held on the Record Date for the Rights Offer.
- 5.5.2 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 that:
  - 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, 26 February 2016.
- 5.5.3 Shareholders are referred to the table of entitlement set out in Annexure 1 to this Circular for their entitlement to the Rights Offer Shares.
- 5.5.4 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.
- 5.5.5 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.
- 5.5.6 The Letters of Allocation to which the Form of Instruction relates are negotiable and may be traded on the JSE.

## 5.6 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:

- 5.6.1 Acceptances are irrevocable and may not be withdrawn;
- 5.6.2 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
- 5.6.3 Certificated Shareholders should note the following:
  - 5.6.3.1 acceptances by Certificated Shareholders may only be made by means of the accompanying Form of Instruction;
  - 5.6.3.2 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 5.8 and may only be made by means of the accompanying Form of Instruction;
  - 5.6.3.3 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;

- 5.6.3.4 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);
- 5.6.3.5 properly completed Forms of Instruction together with the cheque, or banker’s draft or EFT swift reference number (in accordance with paragraph 5.10) must be received from Certificated Shareholders by the Transfer Secretaries at the address referred to in paragraph 5.10.2 by not later than 12:00 on Friday, 11 March 2016. 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, 11 March 2016. Each cheque or banker’s draft will be deposited immediately upon receipt for collection;
- 5.6.3.6 payment referred to in paragraph 5.10 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
- 5.6.3.7 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 THE FORM OF INSTRUCTION, THE TRANSFER SECRETARIES WILL TREAT YOUR APPLICATION AS INVALID.**

### **5.7 Excess applications for Rights Offer Shares**

Shareholders are entitled to apply for additional Rights Issue Shares over and above their entitlement.

Should there be excess Rights Issue Shares available, such excess Rights Issue Shares will be allocated equitably, taking cognisance of the number of Shares held by the Shareholder just prior to such allocation, including those taken up as a result of the Rights Issue, and the number of excess Rights Issue Shares applied for by such Shareholder.

Non-equitable allocations of excess Rights Issue Shares will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100.

### **5.8 Sale or renunciation of Rights Offer Entitlement**

- 5.8.1 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.
- 5.8.2 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 Friday, 4 March 2016. 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.
- 5.8.3 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.
- 5.8.4 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, 11 March 2016.

## 5.9 Procedures for application for additional Rights Issue Shares

- 5.9.1 Qualifying Certificated Shareholders wishing to apply for excess Rights Issue Shares must complete the attached Form of Instruction in accordance with the instructions contained therein and, once completed, lodge same, together with payment of the Rights Issue Price, with the Transfer Secretaries, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 11 March 2016.

Refund payments in respect of unsuccessful applications by Certificated Shareholders for additional Rights Issue Shares will be made to the relevant applicants, at their risk, on or about Wednesday, 16 March 2016. No interest will be paid on monies received in respect of unsuccessful applications.

- 5.9.2 Qualifying Dematerialised Shareholders wishing to apply for excess Rights Issue Shares should instruct their CSDP or Broker, in terms of the custody agreement entered into between themselves and their CSDP or Broker, as to the number of excess Rights Issue Shares for which they wish to apply.

## 5.10 Payment

- 5.10.1 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).
- 5.10.2 A cheque, a banker's draft or EFT swift reference number for the amounts payable in accordance with paragraph 5.9.1, 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  
 13<sup>th</sup> Floor, Rennie House,  
 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, 11 March 2016.

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.

- 5.10.3 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.
- 5.10.4 No acknowledgement of receipt will be given for a cheque, banker's draft or EFT received in accordance with the Rights Offer.
- 5.10.5 "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 5.11 which deals with Exchange Control Regulations.
- 5.10.6 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.

## 5.11 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 advisors 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, 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.*

*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."*

## 5.12 Restricted jurisdictions

- 5.12.1 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.
- 5.12.2 Shareholders should consult their professional advisors 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.

- 5.12.3 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.

### **5.13 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.

### **5.14 Tax consequences**

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

### **5.15 Documents of Title**

- 5.15.1 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, 14 March 2016.
- 5.15.2 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.
- 5.15.3 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, 14 March 2016.
- 5.15.4 CSDPs will effect payment on a "delivery versus payment basis" in respect of the holders of Dematerialised Finbond Shares.

## **6. 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 157 185 629 Rights Offer Shares with effect from the commencement of trade on Monday, 22 February 2016 to the close of trade on Friday, 4 March 2016, both days inclusive; and
- a listing of a maximum of 157 185 629 Rights Offer Shares with effect from the commencement of trade on Monday, 7 March 2016.

## **7. APPLICATION OF THE PROCEEDS FROM THE RIGHTS OFFER**

The net proceeds of the Rights Offer, being R525 million, will be applied to the purchase considerations in respect of the current and future North American Acquisitions, general working capital for the North American Business Unit and future expansion of the North American Business Unit as set out in paragraph 3. The purchase considerations of the 4 acquisitions based on contracted warranted earnings amounts to approximately R350 million, with 50% thereof to be paid upon conclusion of the transaction and the remainder to be paid after 12 months subject to profit warranties being achieved. The remainder of the proceeds raised will be applied to general working capital, funding and future growth.



## 8. SHARE CAPITAL

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

	R
<b>Authorised</b>	
1 000 000 000 ordinary shares of 0.0001 cent each	1 000
<b>Issued share capital <i>before</i> the rights offer</b>	
605 025 250 ordinary shares of 0.0001 cent each	605
Less: 13 891 964 Treasury shares*	(14)
Share premium	203 999 921
<b>Total issued share capital</b>	<b>204 000 512</b>

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

	R
<b>Authorised</b>	
1 000 000 000 ordinary shares of 0.0001 cent each	1 000
<b>Issued share capital <i>after</i> the rights offer</b>	
762 210 876 Ordinary shares of 0.0001 cent each	762
Less: 13 891 964 Treasury shares*	(14)
Share premium	728 999 764
<b>Total issued share capital</b>	<b>729 000 512</b>

\*Finbond currently has 13 891 964 treasury Shares in issue held by Finbond and Finbond Securities. The subsidiaries will not follow their rights in terms of the Rights Offer.

## 9. DIRECTORS

### 9.1 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
Robert Emslie	Independent Non-Executive Director
Danie 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
Gary Sayers	Chief Financial Officer
Carel van Heerden	Chief Operating Officer

## 9.2 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*	-	203 940 261	203 940 261	33.7
G Sayers	-	-	-	-
M Motlatla	-	-	-	-
R Emslie	260 991	-	260 991	0.04
D Brits	-	-	-	-
R Xaba	-	-	-	-
N Melville	-	-	-	-
I Wilken	-	-	-	-
J Noeth	-	-	-	-
	<b>260 991</b>	<b>203 940 261</b>	<b>204 201 252</b>	<b>33.74</b>

*\*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 vanAardt Family Trust. KRI and persons it acts in concert with controls 37.01% of Finbond.*

There have been no changes in directors' and their associates' interests between 28 February 2015, being the date of the preceding financial year and the Last Practicable Date.

## 9.3 Directors' remuneration

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

## 9.4 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 13.

## 9.5 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
	26 August 2013	3 October 2013	
W van Aardt*	4 377 555	-	4 377 555
G Sayers	1 983 630	516 370	2 500 000
C van Heerden	1 983 630	516 370	2 500 000
	<b>8 344 815</b>	<b>1 032 740</b>	<b>9 377 555</b>

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in the "Corporate information and advisors" 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.

## 11. CONSENTS

The Corporate Advisor and Sponsor, Legal Advisor, 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.

## 12. EXPENSES

It is estimated that Finbond's expenses relating to the Rights Offer will amount to approximately R8 958 000. The expenses (excluding VAT) relating to the Rights Offer are detailed below:

Nature of expense	Party	R'000
Corporate Advisor and Sponsor	Grindrod Bank Limited	750
Legal fees	MacRobert Incorporated	10
Underwriting fees*	Midbrook Lane (Pty) Ltd	7 849
JSE documentation inspection fee	JSE Limited	24
JSE listing fee	JSE Limited	225
Printing, publication and distribution	CM Steyn Photo & Graphic	50
Transfer secretaries	Link Market Services South Africa (Pty) Ltd	50
		<b>8 958</b>

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

### 13. 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 Advisor during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of this Circular up to and including Friday, 11 March 2016:

- 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 2015, 28 February 2014 and 28 February 2013;
- 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 9.4;
- a copy of the Underwriting Agreement dated 4 February 2016;
- copies of the consent letters referred to in paragraph 11;
- 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  
Monday, 22 February 2016

**TABLE OF ENTITLEMENT****ANNEXURE 1**

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 25.98001 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	34	9	67	17	100	26
2	1	35	9	68	18	200	52
3	1	36	9	69	18	300	78
4	1	37	10	70	18	400	104
5	1	38	10	71	18	500	130
6	2	39	10	72	19	600	156
7	2	40	10	73	19	700	182
8	2	41	11	74	19	800	208
9	2	42	11	75	19	900	234
10	3	43	11	76	20	1 000	260
11	3	44	11	77	20	2 500	650
12	3	45	12	78	20	5 000	1 299
13	3	46	12	79	21	7 500	1 949
14	4	47	12	80	21	10 000	2 598
15	4	48	12	81	21	25 000	6 495
16	4	49	13	82	21	50 000	12 990
17	4	50	13	83	22	75 000	19 485
18	5	51	13	84	22	100 000	25 980
19	5	52	14	85	22	250 000	64 950
20	5	53	14	86	22	500 000	129 900
21	5	54	14	87	23	750 000	194 850
22	6	55	14	88	23	1 000 000	259 800
23	6	56	15	89	23	2 500 000	649 500
24	6	57	15	90	23	5 000 000	1 299 001
25	6	58	15	91	24	7 500 000	1 948 501
26	7	59	15	92	24	10 000 000	2 598 001
27	7	60	16	93	24	100 000 000	25 980 010
28	7	61	16	94	24		
29	8	62	16	95	25		
30	8	63	16	96	25		
31	8	64	17	97	25		
32	8	65	17	98	25		
33	9	66	17	99	26		

## SHARE PRICE HISTORY OF FINBOND

## ANNEXURE 2

### 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)
<b>Month Ended</b>					
28 February 2015	324	269	321	6 947 232	20 044 561
31 March 2015	325	281	314	2 181 876	6 879 335
30 April 2015	520	270	479	6 083 120	23 437 416
31 May 2015	485	449	478	1 627 670	7 750 211
30 June 2015	500	460	488	1 573 470	7 748 561
31 July 2015	490	340	380	34 168 039	143 587 582
31 August 2015	438	362	435	887 182	3 382 055
30 September 2015	459	381	430	1 140 154	4 944 701
31 October 2015	440	384	427	1 128 501	4 568 151
30 November 2015	449	381	395	6 542 444	25 055 779
31 December 2015	410	-	405	1 788 779	7 098 066
31 January 2016	415	315	350	21 033 584	77 658 626
<b>Day Ended</b>					
8 February 2016	369	357	360	35 190	128 571
5 February 2016	399	340	369	195 300	730 086
4 February 2016	350	350	350	153	535
3 February 2016	360	340	350	15 140	52 592
2 February 2016	355	355	355	1 305	4 632
1 February 2016	355	340	355	10 226	35 749
29 January 2016	350	330	350	12 608	42 788
28 January 2016	340	324	340	795	2 696
27 January 2016	340	330	340	9 029	30 252
26 January 2016	340	315	336	17 332	57 885
25 January 2016	360	338	340	15 995	55 334
22 January 2016	365	330	340	81 611	284 034
21 January 2016	368	341	368	5 770	20 824
20 January 2016	400	340	370	167 827	45 089
19 January 2016	375	350	375	281 903	77 795
18 January 2016	375	355	369	58 840	15 980
15 January 2016	375	320	335	86 998	26 250
14 January 2016	384	350	375	280 162	78 063
13 January 2016	385	360	385	79 324	21 467
12 January 2016	390	360	385	67 154 965	18 144 954
11 January 2016	387	360	387	24 396	6 695
8 January 2016	395	360	390	572 668	150 789
7 January 2016	400	360	360	7 295 973	2 024 553
6 January 2016	400	380	380	91 520	23 560
5 January 2016	395	379	379	824 368	209 044
4 January 2016	415	355	400	245 869	66 205
31 December 2015	-	-	405	-	-
30 December 2015	405	400	405	2 227 770	550 555
29 December 2015	403	400	400	94 910	23 723
28 December 2015	400	390	400	236 198	60 481

Source: INET BFA

The Rights Offer is underwritten by Midbrook Lane (Pty) Limited subject to the irrevocable undertakings by Kings Reign Investments (Proprietary) Limited and Net 1 Finance Holdings (Proprietary) Limited. Details pertaining to the Underwriter as required by the Listings Requirements are set out below:

**1. Nature of business**

Midbrook Lane (Pty) Limited is an investment company incorporated in South Africa. The company invests in well managed businesses with understandable and difficult to replicate business models.

**2. Directors and executive management**

Sean Michael Riskowitz – Executive Chairman

Tyrone Christie Moodley – Chief Executive Director

Martin Nienaber CA (SA) – Chief Financial Officer

**3. Company Secretary**

None

**4. Date and place of incorporation**

8 September 2011

Incorporated in South Africa

**5. Registration number**

2011/112842/07

**6. Registered office**

The Business Centre

Leslie Road

Fourways

2191

**7. Auditors**

PKF (Cape Town) Inc

**8. Bankers**

Investec Limited

**9. Authorised share capital**

10 000 000 Ordinary Type A shares with no par value

100 000 Ordinary Type B shares with no par value

**10. Issued share capital**

3 866 326 Ordinary Type A shares with no par value

6 000 Ordinary Type B shares with no par value