

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 15 of this Circular apply, unless the context clearly indicates otherwise, throughout this Circular, including this cover page.

Action required:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by UCP Shareholders in relation to the Scheme", which commences on page 7 of this Circular.
2. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all your UCP Shares, please forward this Circular incorporating the Form of Proxy (*yellow*) and Form of Surrender and Transfer (*blue*) to the purchaser of such UCP Shares, or the Broker, CSDP, banker or other agent through whom the disposal was effected.

UCP and Afrimat do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of UCP Shares to notify such beneficial owner of the matters set out in this Circular.



UNICORN CAPITAL PARTNERS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1992/001973/06)

Share code: UCP
ISIN: ZAE000244745
("UCP" or "the Company")



AFRIMAT LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/022534/06)

Share code: AFT
ISIN: ZAE000086302
("Afrimat")

COMBINED CIRCULAR TO UCP SHAREHOLDERS

Relating, amongst other things, to:

- a scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the UCP Board between UCP and UCP Shareholders, in terms of which, if successfully implemented, Afrimat will acquire all of the Scheme Shares from the Scheme Participants for the Scheme Consideration of 1 new Afrimat Share for every 280 UCP Shares held by a Scheme Participant on the Scheme Consideration Record Date and disposed of in terms of the Scheme which, if successfully implemented, will result in the delisting of all UCP Shares from the Main Board of the JSE;

and incorporating, amongst other things:

- a report prepared by the Independent Expert in terms of Companies Regulations 90 and 110, and sections 114(2) and 114(3) of the Companies Act, in respect of the Scheme;
- extracts of section 115 of the Companies Act dealing with the approval requirements for the Scheme and of section 164 of the Companies Act dealing with Appraisal Rights;
- the Notice of General Meeting of UCP Shareholders;
- an Electronic Participation Form;
- the Form of Proxy (*yellow*) in respect of the General Meeting of UCP Shareholders for use by Certificated UCP Shareholders and Own-Name Dematerialised UCP Shareholders only; and
- a Form of Surrender and Transfer (*blue*) in respect of the Scheme for use by Certificated UCP Shareholders only.

**Transaction advisor to Afrimat
and Transaction Sponsor**



**Independent Reporting
Accountant to UCP**



Transaction advisors to UCP



**Independent Reporting
Accountant to Afrimat**



Independent Expert to UCP



Sponsor to UCP



Date of issue: Wednesday, 9 September 2020

This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of UCP, the registered office of Afrimat and the offices of PSG Capital at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular, and on the websites www.unicorncapital.co.za and www.afrimat.co.za, from the date of posting of this Circular until the Scheme Implementation Date.

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 15 of this Circular apply, unless the context clearly indicates otherwise, to this section on important legal notes.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about UCP and Afrimat that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. UCP and Afrimat caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which UCP and Afrimat operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards UCP, made by UCP or, as regards Afrimat, made by Afrimat, as communicated in publicly available documents by the respective companies, all of which estimates and assumptions, although UCP or Afrimat believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to UCP or Afrimat or not currently considered material by UCP or Afrimat.

UCP Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of either UCP or Afrimat not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. UCP and Afrimat have no duty to, and do not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by Law.

FOREIGN UCP SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the Laws of South Africa and is subject to applicable Laws, including but not limited to the Companies Act, the Companies Regulations and the JSE Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the Laws of any jurisdiction outside of South Africa, or the requirements of any exchange other than the JSE.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by Law and therefore any persons who are subject to the Laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities Laws of any such jurisdiction.

This Circular does not constitute a prospectus or a prospectus equivalent document. UCP Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme, with care. Any decision to approve the Scheme or any other response to the proposals should be made only on the basis of the information in this Circular.

This Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer or solicitation, or in which such offer or solicitation would require UCP or Afrimat to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations. In those circumstances or otherwise if the distribution of this Circular and any accompanying documentation in jurisdictions outside of South Africa are restricted or prohibited by the Laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

UCP Shareholders who are not resident in, or who have a registered address outside of, South Africa must satisfy themselves as to the full observance of the Laws of any applicable jurisdiction concerning the receipt of, or their election to receive, the Scheme Consideration, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions and are required to advise UCP of all such filing or regulatory obligations as UCP or Afrimat may be required to comply with in such jurisdictions in relation to the Scheme. UCP or Afrimat and their respective boards of directors and advisors accept no responsibility for the failure by an UCP Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by UCP or Afrimat to observe the requirements of any jurisdiction.

The Scheme is governed by the Laws of South Africa and is subject to applicable South African Laws, including the Companies Act, the Companies Regulations and the JSE Listings Requirements.

The offer by Afrimat is made for the securities of a South African company, being UCP, by means of the Scheme. The offer is subject to disclosure requirements under South African Law that are different from those of the United States. Extracts from financial statements included in this Circular have been extracted from financial statements that have been prepared in accordance with South African accounting standards and IFRS that may not be comparable to the financial statements of US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US or other foreign securities Laws, since UCP and Afrimat are located in South Africa. You may not be able to sue UCP, Afrimat or their officers or directors in a foreign court, including South African courts, for violations of US Securities Laws. It may be difficult to compel UCP or a Member of the UCP Group, or Afrimat or a Member of the Afrimat Group to subject itself to a US court's judgment.

Any UCP Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

CORPORATE INFORMATION AND ADVISORS

The definitions and interpretations commencing on page 15 of this Circular apply, unless the context clearly indicates otherwise, to this Corporate Information and Advisors section.

Directors of UCP

RB Patmore (*Chairperson*)*#
JC Badenhorst (*Chief Executive Officer*)
DR Zihlangu*#
SP Naudé*#
ME Gama*#
T de Bruyn*

* non-executive

independent

Directors of Afrimat

MW von Wielligh (*Chairman*)*#
AJ van Heerden (*Chief Executive Officer*)
PGS de Wit (*Chief Financial Officer*)
C Ramukhubathi
L Dotwana*
GJ Coffee*
FM Louw (*Lead Independent Director*)*#
PRE Tsukudu*#
JF van der Merwe*#
HJE van Wyk*#
JHP van der Merwe*#
HN Pool*#

* non-executive

independent

Date and place of incorporation of UCP

10 April 1992
Republic of South Africa

Company Secretary of UCP

Light Consulting Proprietary Limited
(Registration number 1998/025284/07)
20 Stirrup Lane, Woodmead Office Park,
Corner Woodmead Drive & Van Reenens Avenue,
Woodmead, 2191
(Suite #439, Private Bag X29, Gallo Manor, 2052)

Registered office of UCP

Building 8, First Floor,
Inanda Greens Office Park,
54 Wierda Road, West, Sandton, 2196
(PO Box 76, Woodlands Office Park,
Woodmead, 2080)

Transaction advisor to UCP

AcaciaCap Advisors Proprietary Limited
(Registration number 2006/033725/07)
20 Stirrup Lane, Woodmead Office Park,
Corner Woodmead Drive & Van Reenens Avenue,
Woodmead, 2191
(Suite #439, Private Bag X29, Gallo Manor, 2052)

Date and place of incorporation of Afrimat

20 July 2006
Republic of South Africa

Company Secretary of Afrimat

Catharine Burger
Tyger Valley Office Park No 2
Corner Willie van Schoor Avenue
and Old Oak Road, Tyger Valley, 7530
(PO Box 5278, Tyger Valley, 7536)

Registered office of Afrimat

Tyger Valley Office Park No 2
Corner Willie van Schoor Avenue
and Old Oak Road, Tyger Valley, 7530
(PO Box 5278, Tyger Valley, 7536)

Transaction Advisor to Afrimat and Transaction Sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
South Africa
(PO Box 7403, Stellenbosch, 7599)

2nd Floor, Building 3
11 Alice Lane
Sandhurst
Sandton, 2196
South Africa
(PO Box 650957, Benmore, 2010)

Transfer Secretaries to UCP and Afrimat

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
South Africa
(Private Bag X9000, Saxonwold, 2132)

Independent Expert to UCP

Exchange Sponsors Projects Proprietary Limited
(Registration number 2008/021456/07)
44a Boundary Road
Inanda
Sandton, 2196
(PO Box 411216, Craighall, 2124)

Independent Reporting Accountant to UCP

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X60500, Houghton, 2041)

Sponsor to UCP

Questco Corporate Advisory Proprietary Limited
(Registration number 2011/106751/07)
First Floor, Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive, Bryanston, 2192
(PO Box 98956, Sloane Park, 2152)

Independent Reporting Accountant to Afrimat

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
PricewaterhouseCoopers
5 Silo Square, V&A Waterfront, Cape Town, 8002

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ACTION REQUIRED BY UCP SHAREHOLDERS IN RELATION TO THE SCHEME

The definitions and interpretations commencing on page 15 of this Circular apply, unless the context clearly indicates otherwise, to this section on the action required by UCP Shareholders in relation to the Scheme.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other advisor. If you have disposed of any of your UCP Shares, this Circular should be handed to the purchaser to whom, or the Broker, CSDP or other agent through whom, the disposal was effected.

GENERAL MEETING

As a result of the impact of the COVID-19 pandemic and the restrictions placed on public gatherings, the General Meeting will be held in electronic format only.

UCP Shareholders are invited to attend the General Meeting, convened in terms of the Notice of General Meeting, which will only be accessible through electronic participation, as permitted by the JSE Listings Requirements, the provisions of the Companies Act and UCP's MOI, at 10:00 on Friday, 9 October 2020 to consider and, if deemed fit, to pass the resolutions required to approve the Scheme. A notice convening such General Meeting is attached to, and forms part of, this Circular.

Shareholders are to connect to the General Meeting utilising the details set out in the "*Electronic attendance and participation*" section below.

UCP Shareholders are advised that UCP will endeavour to publish its financial results for the year ended 30 June 2020 (audited or reviewed), alternatively, the Trading Statement, by no later than 10:00 on Wednesday, 7 October 2020 (being at least 48 hours before the General Meeting). If UCP is unable to do so, the General Meeting shall still be convened at 10:00 on Friday, 9 October 2020, but then immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 48 hours after publication of such financial results or Trading Statement.

ELECTRONIC ATTENDANCE AND PARTICIPATION

1. CONNECTING TO THE GENERAL MEETING ELECTRONICALLY

- 1.1 The General Meeting will be held at 10:00 on Friday, 9 October 2020 entirely via a remote interactive electronic platform, Zoom. Computershare will facilitate the electronic participation and voting by UCP Shareholders.
- 1.2 In order to attend the General Meeting and participate electronically thereat UCP Shareholders must pre-register with the Transfer Secretaries by making a written application (on the Electronic Participation Form) to so participate, by completing and delivering the Electronic Participation Form to the Transfer Secretaries at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the UCP Shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the Transfer Secretaries by no later than 10:00 on Wednesday, 7 October 2020, for administrative reasons, in order for the Transfer Secretaries to arrange such participation for the UCP Shareholder and for the Transfer Secretaries to provide the UCP Shareholder with the details as to how to access the General Meeting by means of electronic participation. UCP Shareholders may still register/apply to participate electronically at the General Meeting after this date, provided, however, that for those Shareholders to participate in and/or vote electronically at the General Meeting those Shareholders must first be verified and registered (as required in terms of section 63(1) of the Companies Act) before the commencement of the General Meeting.
- 1.3 Upon receiving a completed Electronic Participation Form, the Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting. The Transfer Secretaries will provide UCP with the email address of each verified UCP Shareholder ("**Verified UCP Shareholder**") or their duly appointed proxy to enable the Company to forward to such Verified UCP Shareholders a Zoom meeting invitation required to access the General Meeting.

- 1.4 UCP or the Transfer Secretaries will send each Verified UCP Shareholder a Zoom meeting invitation with a link to “Join the Zoom Meeting” on Thursday, 8 October 2020 to enable Verified UCP Shareholders to link up and participate electronically in the General Meeting. This link will be sent to the email address nominated by the Verified UCP Shareholder in the Electronic Participation Form.
- 1.5 In person registration of General Meeting participants will not be permitted.
- 1.6 UCP Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of UCP, Afrimat and/or Computershare. None of UCP, Afrimat and/or Computershare can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such UCP Shareholder from participating in and/or voting at the General Meeting.

2. **ELECTRONIC VOTING AT THE GENERAL MEETING**

- 2.1 UCP Shareholders connecting to the General Meeting electronically will be able to participate in the General Meeting. The electronic platform, Zoom, to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, UCP Shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the Form of Proxy and lodging the completed proxy form together with the Electronic Participation Form with Computershare. UCP Shareholders who indicate in the Electronic Participation Form that they wish to vote during the electronic meeting, will be contacted by Computershare to make the necessary arrangements.
- 2.2 UCP Shareholders are also encouraged to submit any questions to UCP's company secretary (as set out in the “*Corporate Information and Advisors*” section of this Circular) prior to the General Meeting, by no later than 10:00 on Wednesday, 7 October 2020. These questions will be addressed at the General Meeting.
- 2.3 All eligible UCP Shareholders will be entitled to participate in the General Meeting and to vote (or abstain from voting) on the resolutions set out in the Notice of General Meeting.

3. **IF YOU HAVE DEMATERIALISED YOUR UCP SHARES AND DO NOT HAVE OWN-NAME REGISTRATION**

3.1 **Voting at the General Meeting**

- 3.1.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 3.1.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish them with your voting instructions.
- 3.1.3 If your CSDP or Broker does not obtain voting instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the Custody Agreement between you and your CSDP or Broker.
- 3.1.4 You must not complete the attached Form of Proxy (*yellow*).

3.2 **Attendance and representation at the General Meeting**

- 3.2.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
 - 3.2.1.1 participate electronically, speak and vote at the General Meeting; or
 - 3.2.1.2 appoint a proxy to represent you at the General Meeting.
- 3.2.2 If you wish to electronically in person attend the General Meeting, your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to participate electronically, speak and vote at the General Meeting. In order to attend the General Meeting electronically you must pre-register with the Transfer Secretaries by following the procedure set out in paragraph 1 above and submitting the letter of representation to the Transfer Secretaries, together with the written application (the form of which is attached to the Notice of General Meeting), by post or by e-mail, as the case may be.
- 3.2.3 You must also connect to the General Meeting electronically, as explained in paragraph 1 above.

3.3 Surrender of Documents of Title

You must not complete the Form of Surrender and Transfer (*blue*).

3.4 Settlement of Scheme Consideration

If the Scheme becomes Operative, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares you are transferring to Afrimat on the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, on the date set out in paragraph 4.8.1.2 of this Circular.

4. CERTIFICATED SHAREHOLDERS OR IF YOU HAVE DEMATERIALISED YOUR UCP SHARES WITH OWN-NAME REGISTRATION

4.1 Voting, attendance and representation at the General Meeting

4.1.1 You may electronically attend the General Meeting (as explained in paragraph 1 above) and may vote (or abstain from voting) at the General Meeting. If you wish to be classified as attending the meeting electronically in person, you must pre-register with the Transfer Secretaries by following the procedure set out in paragraph 1 above. You must also connect to the General Meeting electronically, as explained in paragraph 1 above.

4.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*yellow*) in accordance with its instructions and lodging it at or posting it to the Transfer Secretaries (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailing it to the Transfer Secretaries at proxy@computershare.co.za, to be received by it, for administrative purposes, by no later than 10:00 on Wednesday, 7 October 2020, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any rights of the UCP Shareholder at such General Meeting.

4.2 Surrender of Documents of Title (this applies only to Certificated UCP Shareholders and not to Own-Name Dematerialised UCP Shareholders)

4.2.1 You are required to complete the attached Form of Surrender and Transfer (*blue*) in accordance with its instructions and return it, together with the Documents of Title representing all your Certificated UCP Shares, to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107), to be received by no later than 12:00 on the Scheme Consideration Record Date.

4.2.2 Documents of Title held by Certificated UCP Shareholders in respect of their UCP Shares will cease to be of any value, and shall not be good for delivery, from the Scheme Implementation Date, other than for surrender in terms of the Scheme and/or the Appraisal Rights.

4.2.3 If you wish to surrender your Documents of Title in anticipation of the Scheme becoming Operative:

4.2.3.1 you should complete the Form of Surrender and Transfer (*blue*) in accordance with its instructions and return it, together with your Documents of Title, to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107); and

4.2.3.2 it should be noted that you will not be able to Dematerialise or deal in your UCP Shares between the date of surrender of your Documents of Title and the Scheme Implementation Date or, if the Scheme does not become Operative, the date on which your Documents of Title are returned to you pursuant to paragraph 4.3.1.12 of this section of the Circular below.

4.2.4 Own-Name Dematerialised UCP Shareholders must not complete the Form of Surrender and Transfer (*blue*).

4.3 Settlement of Scheme Consideration

4.3.1 Certificated UCP Shareholders

4.3.1.1 **If you hold Certificated UCP Shares, you should pay special attention to the provisions of this paragraph 4.3. You shall only be entitled to receive the Scheme Consideration owed to you once you have surrendered your Documents of Title in respect thereof. If the Scheme becomes Operative, Afrimat will not issue any individual share certificates, and to receive the Scheme Consideration to which you are entitled, you will be required to receive such Consideration Shares in Dematerialised form. If you are in any doubt as to what action you should take, please consult your CSDP, Broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor.**

4.3.1.2 If the Scheme becomes Operative and you have surrendered your Documents of Title and returned the correctly completed Form of Surrender and Transfer (*blue*) to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107), on or before 12:00 on the Scheme Consideration Record Date, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares you are transferring to Afrimat on the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, on the date set out in paragraph 4.8.1.2 of this Circular.

4.3.1.3 If the Scheme becomes Operative and subject to paragraphs 4.3.1.6, 4.3.1.9, 4.3.1.10 below and paragraph 4.5.2.3 of this Circular:

4.3.1.3.1 you will be required to surrender your Documents of Title in respect of all your UCP Shares in order to receive the Scheme Consideration which will be in Dematerialised form;

4.3.1.3.2 you shall only be entitled to receive the Scheme Consideration owed to you once you have surrendered your Documents of Title in respect thereof. This is achieved by completing the attached Form of Surrender and Transfer (*blue*) in accordance with its instructions and returning it, together with the relevant Documents of Title, to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107), on or before 12:00 on the Scheme Consideration Record Date. Should it be received after such time, or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, you will be required to submit an individual instruction to Computershare to facilitate transfer to the receiving CSDP and the costs thereof shall be for your account. Should you wish to expedite receipt of your Scheme Consideration, you are entitled to surrender your Documents of Title in anticipation of the Scheme being implemented, by completing the Form of Surrender and Transfer (*blue*) in accordance with the provisions contained in paragraph 4.2.3 above. Documents of Title surrendered by you prior to the Scheme Implementation Date will be held in trust by Computershare, at your risk, pending the Scheme becoming Operative. Should you surrender your Documents of Title in anticipation of the Scheme being implemented and the Scheme then is not implemented, Computershare shall, within 5 (five) Business Days of either the date upon which it becomes known that the Scheme will not be implemented or on receipt by Computershare of the required Documents of Title, whichever is the later, return the Documents of Title to you by registered post at your own risk.

- 4.3.1.4 No receipts will be issued for Documents of Title surrendered unless specifically requested.
- 4.3.1.5 Once you have surrendered your Documents of Title, you will not be able to trade your UCP Shares from the date that you surrender your Documents of Title in respect of those UCP Shares until the Scheme Implementation Date or, if the Scheme is not implemented, between the date of surrender and the date on which your Documents of Title are returned to you as set out in paragraph 4.3.1.3.2 above.
- 4.3.1.6 If (i) you fail to surrender your Documents of Title by not completing and returning the Form of Surrender and Transfer (*blue*) in accordance with the instructions contained therein; or (ii) you fail to provide any account details, or provide incorrect account details, of your CSDP or Broker, into which your Scheme Consideration will be transferred in Dematerialised form or, (iii) if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, your Scheme Consideration will be transferred to an account in the name of Computershare Nominees, who will, subject to what is stated in paragraph 4.5.2.3 of this Circular, hold such Consideration Shares as the registered holder thereof, for and on your behalf, and you will become an Issuer Nominee Dematerialised Afrimat Shareholder. For further detail in this regard, see paragraph 4.5.2.3 below of this Circular.
- 4.3.1.7 You should note that if the Scheme becomes Operative, you will have to surrender your Documents of Title in respect of your UCP Shares in exchange for your Scheme Consideration, irrespective of whether you voted in favour of the Scheme or not.
- 4.3.1.8 If the Scheme is not implemented, you will retain your UCP Shares and will not be entitled to receive any Consideration Shares.
- 4.3.1.9 If you wish to Dematerialise your UCP Shares, please contact your CSDP or Broker. You do not need to Dematerialise your UCP Shares to participate in the Scheme or to receive any Consideration Shares in terms of the Scheme.
- 4.3.1.10 If your share certificates relating to the Scheme Shares to be surrendered have been lost or destroyed and you are a Certificated UCP Shareholder, you should nevertheless return the Form of Surrender and Transfer (*blue*), duly signed and completed, to Computershare together with a duly completed indemnity form, which is obtainable from the Transfer Secretaries, as well as satisfactory evidence that the Documents of Title have been lost or destroyed.
- 4.3.1.11 Under Strate directives, Dematerialised UCP Shareholders are required to elect to receive direct communication in the future, which includes but is not limited to the receipt of shareholder communication documentation. Such election will facilitate the direct communication by Afrimat to the Afrimat Shareholders. Scheme Participants who are currently Certificated UCP Shareholders and will be Dematerialised are encouraged to make such election.
- 4.3.1.12 Should the Scheme not become Operative, any Documents of Title surrendered and held by Computershare will be returned to you by Computershare, at your own risk, by registered post within 5 (five) Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become Operative, whichever is the later.

4.3.2 Own-Name Dematerialised UCP Shareholders

4.3.2.1 If you are an Own-Name Dematerialised UCP Shareholder who is, or is deemed (pursuant to paragraph 4.8.1 of this Circular) to be, a Scheme Participant, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares you are transferring to Afrimat pursuant to the Scheme on the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, on the date contemplated in paragraph 4.8.1.2 of this Circular.

4.3.2.2 You must not complete the attached Form of Surrender and Transfer (*blue*).

If you wish to Dematerialise your UCP Shares, please contact your CSDP or Broker. UCP Shareholders should note that it will take between 1 (one) and 10 (ten) Business Days to Dematerialise your UCP Shares through their CSDP or Broker. UCP Shareholders that do not have a CSDP or Broker can contact Computershare directly to Dematerialise their UCP Shares on 086 1100 634 (or +27 11 370 5000 if phoning from outside South Africa) on every Business Day between 08:30 and 16:00.

No Dematerialisation or re-materialisation of UCP Shares may take place from the Business Day following the Scheme LDT. You do not need to Dematerialise your UCP Shares to receive the Scheme Consideration.

If Documents of Title relating to any UCP Shares to be surrendered are lost or destroyed, Certificated UCP Shareholders should nevertheless return the attached Form of Surrender and Transfer (*blue*) duly signed and completed to Computershare by hand to Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, or by post to PO Box 61763, Marshalltown, 2107, together with an indemnity form, which is obtainable from Computershare.

UCP may dispense with the surrender of Documents of Title upon production of evidence satisfactory to UCP and Afrimat that the Documents of Title relating to the UCP Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to UCP and Afrimat. Indemnity forms are obtainable from Computershare.

UCP Shareholders are advised to consult their professional advisors about their personal tax positions regarding the Scheme.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 15 of this Circular shall, unless the context clearly indicates otherwise, apply to this section.

2020

Record date to determine which UCP Shareholders are entitled to receive this Circular	Friday, 4 September
Circular distributed to UCP Shareholders and notice convening the General Meeting released on SENS on	Wednesday, 9 September
Notice of General Meeting published in the South African press on	Thursday, 10 September
Last day to trade in order to be recorded in the Register on the Scheme Voting Record Date in order to be eligible to vote at the General Meeting	Tuesday, 29 September
Scheme Voting Record Date being 17:00 on	Friday, 2 October
For administrative reasons, Forms of Proxy to be lodged with the Transfer Secretaries by 10:00 on	Wednesday, 7 October
Forms of Proxy not lodged timeously with the Transfer Secretaries, to be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) before the proxy exercises the rights of the UCP Shareholder at the General Meeting on	Friday, 9 October
Last date and time for UCP Shareholders to give notice to UCP objecting, in terms of section 164(3) of the Companies Act, to the Scheme Resolution to be able to invoke Appraisal Rights by 10:00 on	Friday, 9 October
General Meeting of UCP Shareholders to be held at 10:00 on (Please refer to note 2 below)	Friday, 9 October
Results of General Meeting released on SENS on	Friday, 9 October
Results of General Meeting published in the South African press on	Monday, 12 October
If the Scheme is approved by UCP Shareholders at the General Meeting:	
Last date for UCP Shareholders who voted against the Scheme Resolution, to require UCP to seek court approval for the Scheme Resolution, in terms of section 115(3)(a) of the Companies Act, if the Scheme Resolution was opposed by at least 15% of the voting rights exercised thereon	Friday, 16 October
Receive required approval from Competition Authorities	Friday, 16 October
Last date for UCP Shareholders who voted against the Scheme Resolution to apply to court for leave to apply for a review of the Scheme Resolution, in terms of section 115(3)(b) of the Companies Act, on	Friday, 23 October
Last date for UCP to send objecting UCP Shareholders notices of the adoption of the Scheme Resolution, in accordance with section 164(4) of the Companies Act, on	Friday, 23 October
Action	
<i>The following dates assume that all Conditions are fulfilled or, where applicable, waived and that neither court approval nor the review of the Scheme Resolution is required, and will be confirmed in the finalisation announcement:</i>	
Receive compliance certificate from the TRP	Monday, 26 October
Scheme Finalisation Date expected to be on	Tuesday, 27 October
Scheme Finalisation Date announcement expected to be released on SENS, by 11.00 on	Tuesday, 27 October

Scheme Finalisation Date announcement expected to be published in the South African press on	Wednesday, 28 October
Scheme LDT in UCP Shares expected to be on	Tuesday, 3 November
Trading in UCP Shares on the JSE suspended from commencement of trade on or about	Wednesday, 4 November
Trading in the Consideration Shares expected to commence on or about	Wednesday, 4 November
Announcement in respect of the cash value of fractional entitlements applicable to the Scheme, by 11:00 on	Thursday, 5 November
Scheme Consideration Record Date to be recorded in the Register in order to receive the Scheme Consideration expected to be on	Friday, 6 November
Scheme Implementation Date expected to be on	Monday, 9 November
Issue of Consideration Shares expected to take place on	Monday, 9 November
Termination of listing of UCP Shares on the JSE at commencement of trade on or about	Tuesday, 10 November
Last day for objecting UCP Shareholders, by reason of the adoption of the Scheme Resolution, to make a demand to UCP to pay such objecting UCP Shareholders the fair value of all UCP Shares held by them, in terms of section 164(7) of the Companies Act, on	Friday, 20 November

Notes:

- The above dates and times are subject to such changes as may be agreed to by UCP and Afrimat and approved by the Takeover Panel and/or the JSE, if required. If the Scheme Finalisation Date is not on Tuesday, 27 October 2020 (or if the Scheme Finalisation Date falls on a day after Tuesday, 27 October 2020), an updated timetable will be released on SENS.
- UCP shareholders are also referred to paragraph 14 of the Circular. UCP will endeavour to publish its financial results for the year ended 30 June 2020 (audited or reviewed) alternatively, the Trading Statement, by no later than 10:00 on Wednesday, 7 October 2020 (being at least 48 hours before the General Meeting). If UCP is unable to do so, the General Meeting shall still be convened at 10:00 on Friday, 9 October 2020, but then immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 48 hours after publication of such financial results or Trading Statement.
- Completed Forms of Proxy and the authority (if any) under which they are signed must be (i) lodged with, emailed or posted to Computershare, to be received by them no later than 10:00 on Wednesday, 7 October 2020 or (ii) thereafter emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) before the proxy exercises the rights of the UCP Shareholder at the General Meeting.
- UCP Shareholders should note that, as trade in UCP Shares on the JSE is settled in the electronic settlement system used by Strate, settlement of trades takes place 3 Business Days after the date of such trades. Therefore, UCP Shareholders who acquire UCP Shares on the JSE after the voting last day to trade, expected to be on Tuesday, 29 September 2020, being the last day to trade in UCP Shares so as to be recorded in the Register on the Scheme Voting Record Date, will not be entitled to vote at the General Meeting.
- UCP Shareholders who wish to exercise their Appraisal Rights are referred to **Annexure 9** to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.
- The exercise of Appraisal Rights may result in changes to the above salient dates and times and UCP Shareholders will be notified separately of the applicable dates and times resulting from any such changes.
- UCP Shareholders who wish to exercise their right in terms of section 115(3) of the Companies Act, to require the approval of a court for the Scheme, should refer to **Annexure 9** to this Circular which includes an extract of section 115 of the Companies Act. Should UCP Shareholders exercise their rights in terms of section 115(3) of the Companies Act, the dates and times set out above may change, in which case an updated timetable will be released on SENS.
- Dematerialised UCP Shareholders, other than those with Own-Name Registration, must provide their CSDP or Broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective Custody Agreements between them and their CSDP or Broker.
- No dematerialisation or rematerialisation of UCP Shares may take place between the commencement of business on Wednesday, 4 November 2020 (being the first Business Day following the Scheme LDT) and the Scheme Consideration Record Date of Friday, 6 November 2020.
- If the General Meeting is adjourned or postponed, the above dates and times will change, but the Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
- Although the salient dates and times are stated to be subject to change, such statement shall not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act, the Companies Regulations and the JSE Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
- All times referred to in this Circular are references to South African Standard Time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context clearly indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

“act in concert”	for a specific purpose, means any action pursuant to an agreement between or among 2 (two) or more Persons, in terms of which all or any of them co-operate for that specific purpose, and “acting in concert” and “acts in concert” have a corresponding meaning;
“Afrimat”	Afrimat Limited (registration number 2006/022534/06), a public company incorporated under the Laws of South Africa, which is listed on the Main Board of the JSE;
“Afrimat Directors” or “Afrimat Board”	the directors of Afrimat as at the Last Practicable Date, whose names are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Afrimat Group”	Afrimat, the other Members of its Group and each other Person, Controlled from time to time by Member(s) of the Afrimat Group;
“Afrimat Shares”	ordinary no par value shares in the issued share capital of Afrimat;
“Afrimat Shareholder”	a holder of one or more Afrimat Shares;
“Appraisal Rights”	the rights afforded to UCP Shareholders in terms of section 164 of the Companies Act, as set out in Annexure 9 to this Circular;
“Broker”	any Person registered as a “ <i>broking member (equities)</i> ” in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
“Business Day”	a day which is not a Saturday, Sunday or official public holiday in South Africa;
“Calibre Capital”	Calibre Capital Proprietary Limited (registration number 2004/001095/07), a private company duly incorporated under the Laws of South Africa, in which T de Bruyn, a director of UCP, holds 67.5%, Semeca Investments holds 27.5% and Maximus Investments CC holds 5%;
“Certificated UCP Shareholders”	holders of Certificated UCP Shares;
“Certificated UCP Shares”	UCP Shares being “certificated securities” as defined in the Financial Markets Act and having accordingly not been Dematerialised, title to which is evidenced by Documents of Title;
“CIH”	Calibre Investment Holdings Proprietary Limited (registration number 2017/177748/07), a private company duly incorporated under the Laws of South Africa and being a wholly-owned subsidiary of Calibre Capital;
“Circular”	this circular to UCP Shareholders, dated Wednesday, 9 September 2020, together with the annexures hereto;
“Common Monetary Area”	South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of eSwatini;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“Companies Regulations”	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
“Competition Act”	the Competition Act, No. 89 of 1998, as amended from time to time;

“Competition Appeal Court”	the Competition Appeal Court, a court established in terms of section 36 of the Competition Act;
“Competition Authorities”	the Competition Commission, the Competition Tribunal and/or the Competition Appeal Court, insofar as approvals are required from them in terms of the Competition Act and/or other applicable Laws to implement the Scheme, and all other competition authorities whose approvals are required for the Scheme;
“Competition Commission”	the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;
“Competition Tribunal”	the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act;
“Computershare” or “Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly incorporated under the Laws of South Africa, whose details appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Computershare Nominees”	Computershare Nominees Proprietary Limited (Registration number 1999/008543/07), a private company duly incorporated and registered under the Laws of South Africa, being the nominee of Computershare’s CSDP;
“Concert Parties”	of a Person means any other Person who acts in concert with that first-mentioned Person, for purposes of section 117(1)(b) of the Companies Act, with Afrimat confirming that it is acting alone and not in concert with any other Person in connection with the Scheme;
“Conditions”	the conditions precedent to the Scheme set out in paragraph 4.2 of this Circular;
“Consideration Shares”	the Afrimat Shares to be issued by Afrimat as the Scheme Consideration;
“Control”	bears the meaning ascribed to it in section 2(2) of the Companies Act and “Controlled” shall have a corresponding meaning;
“Counterpoint Boutique”	Counterpoint Boutique Proprietary Limited (registration number 2006/018046/07), a private company duly incorporated under the Laws of South Africa being an owner managed asset management company based in Cape Town, with no relationship with UCP other than being a shareholder;
“CSDP”	a “ <i>participant</i> ” as defined in the Financial Markets Act;
“Custody Agreement”	a custody mandate agreement between a Dematerialised UCP Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised UCP Shares held on UCP’s uncertificated securities register administered by a CSDP or Broker on behalf of such UCP Shareholder;
“Dematerialise” or “Dematerialised” or “Dematerialisation”	the process by which certificated shares are converted into an electronic format as dematerialised shares and recorded in a company’s uncertificated securities register administered by a CSDP;
“Dematerialised UCP Shareholders”	holders of Dematerialised UCP Shares;
“Dissenting Shareholders”	UCP Shareholders who validly exercise their Appraisal Rights (if any) by giving written notice to UCP objecting in advance to, and voting against, the relevant Resolutions at the General Meeting and by demanding, in terms of sections 164(5) to 164(8) of the Companies Act, that UCP pay to them the fair value of their UCP Shares;

“Document of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the UCP Shares in question acceptable to the Afrimat Board;
“Electronic Participation Form”	the electronic participation form annexed to the Notice of General Meeting;
“Encumbrance”	(i) a mortgage, pledge, hypothecation, lien, option, restriction, right of first refusal, right of pre-emption, right of retention, right of set-off, third party right or interest, assignment in security, title extension, trust arrangement, cession in security, security interest of any kind or any other encumbrance of any kind; and (ii) any other type of preferential transaction or agreement having, or which might have, the effect of Encumbering as contemplated in (i), whether or not subject to a condition precedent, and “Encumbered”, “Encumber” and “Encumbering” each bears a corresponding meaning;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time and all directives and rulings issued thereunder;
“Excluded Shares”	the Treasury Shares and the UCP Shares beneficially owned by Afrimat or any Member of Afrimat Group;
“Excluded Shareholders”	UCP Shareholders holding Excluded Shares;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“Firm Intention Offer Letter”	the letter from Afrimat to the UCP Board, dated Thursday, 16 July 2020, confirming Afrimat’s conditional firm intention to make an offer to acquire all UCP Shares (excluding the Excluded Shares) by way of the Scheme, the terms of which letter was accepted by the UCP Board, whereupon, the Firm Intention Offer Letter became unconditional;
“Firm Intention Announcement”	the joint firm intention announcement published by UCP and Afrimat on SENS dated 22 July 2020;
“Foreign UCP Shareholder”	an UCP Shareholder that is registered in a jurisdiction outside of South Africa, or who is resident, domiciled or located in, or who is a citizen of, a jurisdiction other than South Africa;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>yellow</i>) for use by Certificated UCP Shareholders and Dematerialised UCP Shareholders with Own-Name Registration, enclosed herewith;
“Form of Surrender and Transfer”	a form of Surrender and Transfer (<i>blue</i>) in respect of the Scheme for use by Certificated UCP Shareholders only, enclosed herewith;
“General Meeting”	the general meeting of UCP Shareholders scheduled to be held in electronic format only at 10:00 on Friday, 9 October 2020, to consider and, if deemed fit, approve, <i>inter alia</i> , the Scheme Resolution, as same may be postponed or adjourned from time to time. UCP will endeavour to publish its financial results for the year ended 30 June 2020 (audited or reviewed), alternatively, the Trading Statement, by no later than 10:00 on Wednesday, 7 October 2020 (being at least 48 hours before the General Meeting). If UCP is unable to do so, the General Meeting shall still be convened at 10:00 on Friday, 9 October 2020, but then immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 48 hours after publication of such financial results or Trading Statement;

“Governmental Authority”	(i) the government of any applicable jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
	(ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental authority or quasi-governmental authority within any applicable jurisdiction; and
	(iii) any securities exchange within any applicable jurisdiction;
“Group”	in relation to any Person, that Person and its Subsidiaries from time to time;
“IFRS”	International Financial Reporting Standards, as issued by the Board of the International Accounting Standards Committee from time to time;
“Independent Board”	collectively, Mr Ralph Patmore, Mr Stephen Naudé and Dr Mdu Gama, being the independent non-executive UCP Directors who have been appointed as the independent board of UCP in relation to the Scheme for purposes of the Companies Regulations;
“Independent Expert”	Exchange Sponsors Proprietary Limited, a private company duly incorporated under the Laws of South Africa with registration number 2008/021456/07, whose details appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Independent Reporting Accountant to Afrimat”	PricewaterhouseCoopers Inc., a company duly incorporated under the Laws of South Africa with registration number 1998/012055/21, whose details appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Independent Reporting Accountant to UCP”	BDO Corporate Finance Proprietary Limited, a private company duly incorporated under the Laws of South Africa with registration number 1983/002903/07, whose details appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Irrevocable Undertakings”	the irrevocable undertakings to vote in favour of the Scheme Resolution, which were provided by the UCP Shareholders listed in Annexure 10 to this Circular as at the Last Practicable Date;
“Issuer Nominee Dematerialised Afrimat Shareholders”	if the Scheme becomes Operative and is implemented, Afrimat Shareholders who, prior to implementation of the Scheme and whilst they were Certificated UCP Shareholders, (i) failed to complete and return a Form of Surrender and Transfer (<i>blue</i>) in accordance with the instructions contained therein; or (ii) in the Form of Surrender and Transfer (<i>blue</i>) failed to provide any account details, or provided incorrect account details, of a CSDP or Broker, into which the relevant Consideration Shares were to be transferred and on whose behalf Computershare Nominees will hold the Consideration Shares until such Person appoints a CSDP or Broker and provides such details to Computershare Nominees with an instruction to transfer the Consideration Shares;
“JB Private Equity”	JB Private Equity Investor Partnership, an <i>en commandite</i> partnership managed by JB Private Equity Investors Proprietary Limited (registration number 2015/258922/07), in which partnership JC Badenhorst, a director of UCP, indirectly holds 2%, CIH holds 8% and RECM and Calibre Limited (registration number 2009/012403/06) hold 90% (there being no cross directorships between RECM and Calibre Limited and Afrimat);
“JSE”	the securities exchange, licensed under the Financial Markets Act, operated by JSE Limited (registration number 2005/022939/06), a public company incorporated under the Laws of South Africa;

“JSE Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Monday, 24 August 2020;
“Laws”	laws, legislation, statutes, regulations, directives orders, notices, promulgations and other decrees of any Governmental Authority which have force of law or which would be an offence not to obey, and the common law, all of the aforementioned as modified, re-enacted, restated, replaced or reimplemented from time to time;
“Member”	of a Group is a Person which forms part of that Group;
“MOI”	the memorandum of incorporation of UCP;
“Notice of General Meeting”	the notice of the General Meeting of UCP Shareholders forming part of this Circular;
“Operative”	in relation to the Scheme means all the Conditions are fulfilled or, where applicable, waived;
“Own-Name Registration” or “Own-Name Dematerialised UCP Shareholders”	UCP Shareholders who hold UCP Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such UCP Shareholders;
“Person”	includes any individual, body corporate, trust, company, close corporation, Governmental Authority, corporate entity, unincorporated association or other entity, whether or not recognised under any Law as having separate legal existence or personality and wherever incorporated, created or established;
“PSG Capital”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company duly incorporated under the Laws of South Africa, whose details appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Register”	the register of Certificated UCP Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised UCP Shareholders maintained by the relevant CSDPs;
“Scheme”	the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the UCP Board between UCP and the Scheme Participants, as more fully described in paragraph 4 of this Circular, in terms of which Afrimat will, if the Scheme becomes Operative, acquire all Scheme Shares from the Scheme Participants for the Scheme Consideration;
“Scheme Consideration”	the scheme consideration of 1 (one) Afrimat Share for every 280 (two hundred and eighty) Scheme Shares (being UCP Shares held by a Scheme Participant on the Scheme Consideration Record Date) disposed of by Scheme Participants in terms of the Scheme, rounded down to the nearest whole number and credited as fully paid, together with the cash payment applicable to any such fraction rounded down, as set out in paragraph 4.4 of this Circular (the Scheme Consideration will have no cash alternative);
“Scheme Consideration Record Date”	the time and date for Persons, who are UCP Shareholders, to be registered as UCP Shareholders in the Register in order to be eligible to receive the Scheme Consideration, being the first Friday following the Scheme LDT which is expected to be at 17:00 on Friday, 6 November 2020 (or such other date and time as the JSE may direct);

“Scheme Finalisation Date”	the date on which the “finalisation date announcement” (as contemplated by the JSE Listings Requirements) is released on SENS, after all the Conditions to the Scheme are fulfilled or waived, as the case may be, which is expected to be on or about Tuesday, 27 October 2020;
“Scheme Implementation Date”	the date on which the Scheme is to be implemented, being the Monday immediately following the Scheme Consideration Record Date, which is expected to be on Monday, 9 November 2020 (or such other date as the JSE may direct);
“Scheme LDT”	the last day to trade in UCP Shares in order to participate in the Scheme, being at the close of trading 3 (three) trading days prior to the Scheme Consideration Record Date, which is expected to be at 17:00 on Tuesday, 3 November 2020 (or such other date and time as the JSE may direct);
“Scheme Participants”	all Persons who are recorded in the Register on the Scheme Consideration Record Date, excluding the Afrimat Group, any Subsidiaries of UCP and Dissenting Shareholders who have not, whether voluntarily or pursuant to a final order of the Court, withdrawn their demands made in terms of sections 164(5) to (8) of the Companies Act on or prior to the Scheme Consideration Record Date, or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse on or prior to the Scheme Consideration Record Date, being Persons who are entitled to receive the Scheme Consideration;
“Scheme Resolution”	the special resolution to be proposed to UCP Shareholders (other than the Excluded Shareholders), at the General Meeting seeking their approval of the Scheme, which will require the support of at least 75% of the votes exercised on it;
“Scheme Shares”	the UCP Shares held by a Scheme Participant on the Scheme Consideration Record Date;
“Scheme Voting Record Date”	the time and date for UCP Shareholders to be recorded in the Register in order to be eligible to attend, speak and vote at the General Meeting, being 17:00 on Friday, 2 October 2020;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly incorporated under the Laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“Subsidiary”	a “ <i>subsidiary</i> ” as defined in the Companies Act, but also includes a Person incorporated outside South Africa which would, if incorporated in South Africa, be a “subsidiary” as defined in the Companies Act;
“Takeover Panel”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;

“Trading Statement”	the detailed trading statement to be published by UCP should its financial results for the year ended 30 June 2020 (audited or reviewed) not be published before the General Meeting, which shall include, <i>inter alia</i> , the following: <ul style="list-style-type: none"> – range increase or decrease (within 15%) of the operating profit per segment and overall, including, <i>inter alia</i>, the reversal of the Megacube provision as referred to in note 3 to the Afrimat <i>pro forma</i> consolidated statement of the financial position at 29 February 2020 as contained in Annexure 6; – Rand value of the revenue per segment; – range increase or decrease (within 15%) in the earnings per share and headline earnings per share; – Rand value of any impairments to be made in the financial results of UCP for the year ended 30 June 2020, including, <i>inter alia</i>, in relation to the impairment, an initial assessment of which is referred to in note 6.1 to the Afrimat <i>pro forma</i> consolidated statement of the financial position at 29 February 2020 as contained in Annexure 6; – range increase or decrease (within 15%) in the net asset value per share; and – general overview per division;
“Treasury Shares”	the UCP Shares beneficially owned by any Member of the UCP Group, being, as at the Last Practicable Date, 5 553 871 UCP Shares held by Megacube Mining Proprietary Limited;
“UCP” or “the Company”	Unicorn Capital Partners Limited (registration number 1992/001973/06), a public company incorporated under the Laws of South Africa, which is listed on the Main Board of the JSE;
“UCP Board” or “UCP Directors”	the board of directors of UCP as at the Last Practicable Date, whose names are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“UCP Group”	UCP, the other Members of its Group and each other Person Controlled from time to time by Members of the UCP Group;
“UCP Share”	an ordinary share in the issued share capital of UCP, having a par value of ZAR0.01 (one cent);
“UCP Shareholder”	a holder of one or more UCP Shares;
“USA” or “US” or “United States”	the United States of America; and
“ZAR”, “R”, “Rand”, or “cents”	the lawful currency of South Africa.

The following shall apply throughout this Circular, unless the context clearly provides otherwise:

1. headings are to be ignored when construing this Circular;
2. references to one gender include all genders and references to the singular include the plural and *vice versa*;
3. any reference to a time of day is a reference to South African Standard Time, unless a contrary indication appears;
4. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
5. a reference to any agreement or document referred to in this Circular is a reference to that agreement or document as amended, revised, varied, novated or supplemented at any time;
6. should any provision in a definition be a substantive provision conferring rights or imposing obligations on any Person, effect shall be given to that provision as if it were a substantive provision in the body of this Circular;
7. where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day;
8. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s;
9. the use of any expression covering a process available under South African Law shall, if any of UCP and Afrimat is subject to the Law of any other jurisdiction, be interpreted as including any equivalent or analogous proceedings under the Law of such other jurisdiction;
10. references to Laws or any similar such word shall be deemed to include the JSE Listings Requirements;
11. a Condition “Fails” if it is not fulfilled by the latest date allowed for its fulfilment, and, if it is capable of being waived, it is also not waived by that latest date; and
12. no rule of construction shall be applied to the disadvantage of UCP and Afrimat because any or all of them were responsible for, or participated in, the preparation of this Circular.



UNICORN CAPITAL PARTNERS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1992/001973/06)

Share code: UCP

ISIN: ZAE000244745

("UCP" or "the Company")



AFRIMAT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2006/022534/06)

Share code: AFT

ISIN: ZAE000086302

("Afrimat")

COMBINED CIRCULAR TO UCP SHAREHOLDERS

Directors of UCP

RB Patmore (*Chairperson*)*#

JC Badenhorst (*Chief Executive Officer*)

DR Zihlangu*#

SP Naudé*#

ME Gama*#

T de Bruyn*

* non-executive

independent

Directors of Afrimat

MW von Wielligh (*Chairman*)*#

AJ van Heerden (*Chief Executive Officer*)

PGS de Wit (*Chief Financial Officer*)

C Ramukhubathi

L Dotwana*

GJ Coffee*

FM Louw (*Lead Independent Director*)*#

PRE Tsukudu*#

JF van der Merwe*#

HJE van Wyk*#

JHP van der Merwe*#

HN Pool*#

* non-executive

independent

1. INTRODUCTION

- 1.1 UCP Shareholders are referred to the Firm Intention Announcement by UCP and Afrimat published on SENS on 22 July 2020. In the Firm Intention Announcement, UCP Shareholders were advised that UCP had received the Firm Intention Offer Letter from Afrimat notifying UCP of Afrimat's firm intention to make an offer, as contemplated by the Companies Regulations, to acquire all of the UCP Shares (other than the Excluded Shares) by way of a scheme of arrangement in terms of section 114 of the Companies Act, to be proposed by the UCP Board between UCP and the UCP Shareholders (other than the Excluded Shareholders).
- 1.2 Should the Scheme become Operative:
 - 1.2.1 Afrimat will become the registered and beneficial owner of all the Scheme Shares and as a consequence thereof UCP will become a subsidiary of Afrimat;
 - 1.2.2 the Scheme Participants will receive 1 (one) Afrimat Share for every 280 (two hundred and eighty) UCP Scheme Shares held by them on the Scheme Consideration Record Date; and
 - 1.2.3 UCP Shares will be delisted from the JSE. The JSE will suspend the listing of the UCP Shares on the JSE with effect from the commencement of trading on the JSE on the Business Day following the Scheme LDT and, subject to the Scheme becoming Operative, the termination of the listing of UCP on the JSE will take place from the commencement of trading on the Business Day following the Scheme Implementation Date.

2. PURPOSE OF THIS CIRCULAR

2.1 The purpose of this Circular is to:

2.1.1 provide UCP Shareholders with information regarding the Scheme;

2.1.2 provide UCP Shareholders with the Independent Expert's report in respect of the Scheme, prepared in terms of Companies Regulations 90 and 110 and sections 114(2) and 114(3) of the Companies Act;

2.1.3 advise UCP Shareholders of the Independent Board's opinion in respect of the Scheme (as supported by the Independent Expert's report); and

2.1.4 convene the General Meeting to consider and, if deemed fit, approve the resolutions set out in the Notice of General Meeting.

2.2 The Scheme falls below the threshold for it to qualify as a category 2 transaction for Afrimat, in terms of the JSE Listings Requirements. The Scheme will therefore not require the approval of Afrimat Shareholders.

3. RATIONALE FOR SCHEME AND INFORMATION ON AFRIMAT

3.1 Background in respect of Afrimat

Afrimat is a public company listed on the Main Board of the JSE with 35.3% black ownership. Afrimat is primarily engaged in open pit mining, processing and the supply of a broad range of industrial minerals and materials to an assortment of industries across southern Africa. In addition, Afrimat supplies bulk commodities to local and international markets. For further information on the Afrimat Group, UCP Shareholders are referred to the integrated annual report of Afrimat for the 2020 financial year which is available electronically on Afrimat's website www.afrimat.co.za.

3.2 Rationale for Afrimat

3.2.1 UCP's business comprises primarily of mobile crane hire, exploration drilling services, drilling and blasting, opencast and underground mining of anthracite and earthmoving operations.

3.2.2 UCP's operations fit the strategy of Afrimat and will provide it with access to additional services and commodities that expand its current product offering in the bulk commodities segment.

3.2.3 Afrimat recognises that UCP management and staff have extensive experience in the operational aspects of the business, as well as a deep market knowledge. Afrimat places a high value on its people and believes that retaining personnel within the group would be important for its continued success.

3.3 Rationale for UCP

3.3.1 The Scheme, if implemented, will provide UCP Shareholders with an opportunity to convert their illiquid investment in UCP to a more liquid instrument in Afrimat and to gain exposure to a business with exciting growth prospects. Furthermore, Afrimat has a strong balance sheet required to assist in properly developing the mining operations of Nkomati mine. Afrimat believes that the transaction will provide UCP Shareholders with an opportunity to realise significant and attractive value for their UCP Shares.

3.3.2 Accordingly, the Independent Board believes that it is in the interest of UCP Shareholders that they be given an opportunity to consider the Scheme.

4. THE SCHEME

4.1 Overview and effects of the Scheme

- 4.1.1 In terms of section 114(1) of the Companies Act, the UCP Board proposes the Scheme as set out in this paragraph 4 between UCP and the UCP Shareholders (other than the holders of the Excluded Shares). The Scheme will constitute an “affected transaction” as defined in section 117(1)(c) of the Companies Act. It will be implemented in accordance with the Companies Act and the Companies Regulations and will be regulated by the Takeover Panel.
- 4.1.2 In terms of the Scheme, subject to the Scheme becoming Operative, Afrimat will acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration, whereupon UCP will become a subsidiary of Afrimat.
- 4.1.3 If the Scheme becomes Operative:
- 4.1.3.1 the Scheme Participants (whether they voted in favour of the Scheme or not, or abstained or refrained from voting) shall be deemed to have disposed of and transferred their Scheme Shares (including all rights, interests and benefits attaching thereto), free of Encumbrances, to Afrimat on and with effect from the Scheme Implementation Date;
- 4.1.3.2 Afrimat shall acquire and/or be deemed to have acquired registered and beneficial ownership, free of Encumbrances, of all the Scheme Shares on and with effect from the Scheme Implementation Date;
- 4.1.3.3 the disposal and transfer by each Scheme Participant of the Scheme Shares held by such Scheme Participant to Afrimat and the acquisition of registered and beneficial ownership of these Scheme Shares by Afrimat pursuant to the provisions of the Scheme, shall be effected on the Scheme Implementation Date;
- 4.1.3.4 each Scheme Participant shall be deemed to have disposed of and transferred to Afrimat, on the Scheme Implementation Date, all of the Scheme Shares held by such Scheme Participant, without any further act or instrument being required; and
- 4.1.3.5 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the provisions of this Circular.
- 4.1.4 Each Scheme Participant irrevocably, unconditionally authorises and empowers UCP in *rem suam* (that is, irrevocably for UCPs’ advantage), as principal, with power of substitution, to cause the Scheme Shares held by such Scheme Participant to be disposed of and transferred to, and registered in the name of, Afrimat on or at any time after the Scheme Implementation Date, and to do all such things and take all such steps (including the signing of any transfer form) as UCP in its discretion considers necessary in order to effect that transfer and registration.
- 4.1.5 The Scheme Consideration will be issued to Scheme Participants in accordance with the terms of the Scheme and on the terms and in the manner set out in this Circular without regard to any lien, right of set-off, counterclaim or other analogous right to which Afrimat or UCP may otherwise be, or claim to be, entitled against any Scheme Participant.
- 4.1.6 UCP, as principal, shall procure that Afrimat complies with its obligations under the Scheme, and UCP alone shall have the right to enforce those obligations (if necessary) against Afrimat.
- 4.1.7 A Scheme Participant’s right to receive the Scheme Consideration shall be conditional upon the surrender by such Scheme Participant, if applicable, of their Documents of Title in accordance with the provisions contained in relation thereto in the “*Action Required by UCP Shareholders*” section of this Circular.
- 4.1.8 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against UCP only. Scheme Participants will be entitled to require UCP to enforce its rights in terms of the Scheme against Afrimat.

- 4.1.9 The effect of the Scheme, *inter alia*, will be that Afrimat will, with effect from the Scheme Implementation Date, become the registered and beneficial owner of all the Scheme Shares (including all rights, interests and benefits attaching thereto), free of Encumbrances.
- 4.1.10 Afrimat and UCP agree that, upon the Scheme becoming Operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to and implement the Scheme.
- 4.1.11 The Scheme is subject to, *inter alia*, UCP Shareholder approval. The Excluded Shareholders will be excluded from voting on the Scheme Resolution.
- 4.1.12 As a consequence of the Scheme becoming Operative, application will be made to the JSE for the delisting of the Scheme Shares.

4.2 Conditions to the Scheme

- 4.2.1 The Scheme is subject to the fulfilment or waiver, as permissible, of each of the following Conditions:
 - 4.2.1.1 that the Mpumalanga Economic Growth Agency, as minority shareholder in Nkomati Anthracite Proprietary Limited, agrees to the terms of the strategic and mining management agreement to be concluded with Afrimat, as previously approved by the UCP Board on 20 March 2020, to the reasonable satisfaction of Afrimat;
 - 4.2.1.2 that written consent to the transfer of UCP Shares in terms of the Scheme be obtained from the Industrial Development Corporation of South Africa and ABSA Bank Limited (collectively, the “**Lenders**”) in terms of the change of control provisions under their respective loan/funding agreements with Subsidiaries of UCP and that the Lenders agree not to proceed in foreclosing on outstanding debt due by those Subsidiaries;
 - 4.2.1.3 that, within the time period prescribed in section 164(7) of the Companies Act, UCP Shareholders have not exercised Appraisal Rights, by giving valid demands in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% of all issued UCP Shares;
 - 4.2.1.4 that the Scheme Resolution is approved by the requisite majority of votes of the UCP Shareholders as contemplated in section 115(2) of the Companies Act;
 - 4.2.1.5 that to the extent required in terms of the Companies Act, the court approves the implementation of the Scheme Resolution;
 - 4.2.1.6 if any Person who voted against the Scheme Resolution applies to court for a review of all or any of those resolutions in terms of section 115(3)(b) and section 115(6) of the Companies Act, that either:
 - 4.2.1.6.1 leave to apply to court for any such review is refused; or
 - 4.2.1.6.2 if leave is so granted, the court refuses to set aside the Scheme Resolution;
 - 4.2.1.7 that all regulatory approvals required to implement the Scheme are obtained, including:
 - 4.2.1.7.1 the Takeover Panel issuing a compliance certificate to UCP in terms of section 121(b) of the Companies Act;
 - 4.2.1.7.2 the Competition Authorities granting such approvals as are required in terms of the Competition Act and other applicable Laws to implement the Scheme either unconditionally or subject to conditions acceptable to Afrimat;

- 4.2.1.7.3 the Financial Surveillance Department of the South African Reserve Bank granting such approvals with respect to the Scheme, as are required in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act No. 9 of 1933) to implement the Scheme either unconditionally, or subject to conditions acceptable to Afrimat; and
 - 4.2.1.7.4 the JSE granting such approvals (if any) as are required in terms of the JSE Listings Requirements with respect to the Scheme;
 - 4.2.2 The deadline for fulfilment of the Scheme Condition in paragraph 4.2.1.1 is 31 October 2020, while all other Conditions are to be fulfilled by no later than 31 January 2021.
 - 4.2.3 Afrimat may by written notice to UCP, at any time, extend the date for fulfilment of any or all of the Conditions, provided that any extension by more than 45 (forty-five) days will require the written consent of UCP. In addition, Afrimat may, by written notice to UCP, waive, wholly or in part, the Conditions set out in paragraphs 4.2.1.1, 4.2.1.2 and 4.2.1.3 and, to the extent legally permissible, waive, wholly or in part, any of the other Conditions.
 - 4.2.4 An announcement will be released on SENS and published in the South African press as soon as possible after the (i) fulfilment, or waiver, as the case may be, of all of the Conditions or (ii) non-fulfilment of any Condition.

4.3 **Scheme Consideration**

- 4.3.1 Subject to the Scheme being Operative, Scheme Participants will receive the Scheme Consideration of 1 (one) Afrimat Share for every 280 (two hundred and eighty) UCP Scheme Shares held by them on the Scheme Consideration Record Date.
- 4.3.2 The Independent Board believes that the Scheme Consideration reflects fair and reasonable value for the Scheme Shares. In this regard, UCP Shareholders are referred to paragraphs 16 and 17 of this Circular and the Independent Expert's report in respect of the Scheme attached as **Annexure 1** to this Circular.
- 4.3.3 The Scheme, if implemented, will entitle the Scheme Participants to receive the Scheme Consideration in Dematerialised form, on the terms and in the manner set out in this Circular.
- 4.3.4 Afrimat will have sufficient unissued shares in its authorised share capital to issue to each Scheme Participant as many Consideration Shares as may be required to fully satisfy the Scheme Consideration. Should the Scheme be implemented and assuming there are no Dissenting Shareholders, a maximum of 3 012 832 Afrimat Shares, representing approximately 2.10% of the number of issued shares in Afrimat, will be issued to Scheme Participants in consideration for all the Scheme Shares held by them (being a total of 843 592 760 UCP Shares).
- 4.3.5 UCP Shareholders are reminded that the settlement of the Scheme Consideration is subject to the Exchange Control Regulations. The salient Exchange Control provisions are referred to in paragraph 4.9 below of this Circular and set out more fully in **Annexure 8**, attached to this Circular.

4.4 **Fractions**

- 4.4.1 Where a Scheme Participant's entitlement to the Scheme Consideration in terms of the Scheme, gives rise to a fraction of a Consideration Share, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole Consideration Shares and a cash payment for the fraction to the Scheme Participants.
- 4.4.2 The fractional entitlements will be delivered in aggregate to each CSDP and they will be responsible for the payment of the cash fractional payment to Scheme Participants, which will be funded through the disposal of the fractional entitlements on the market.
- 4.4.3 In accordance with the JSE Listings Requirements, the weighted average traded price for a Consideration Share on Scheme LDT, being Tuesday, 3 November 2020 plus one Business Day, less 10% will be used to calculate the cash value in respect of the respective fractions of Consideration Shares to be paid to the applicable UCP Shareholders. The cash value applicable to fractions of Consideration Shares will be announced on SENS on Thursday, 5 November 2020.

- 4.4.4 Certificated UCP Shareholders whose bank account details are not held by the Transfer Secretaries, are requested to provide such details to the Transfer Secretaries to enable payment of the cash amount due for the aforementioned fraction of a Consideration Share. Should no details be on record, the funds will be held by Computershare on behalf of UCP in trust until such time as the details have been provided and the cash fraction will thereafter be paid to a Scheme Participant upon its request without interest, provided that such funds shall be held by Computershare on behalf of UCP in trust until lawfully claimed by such Scheme Participant, or until the Scheme Participant's claim to such funds has prescribed in terms of the applicable laws of prescription.

4.5 Settlement of Scheme Consideration

UCP Shareholders are referred to the section entitled "*Action required by UCP Shareholders in relation to the Scheme*", commencing on page 7 of the Circular, for further information regarding the steps to be taken by UCP Shareholders in relation to the settlement of the Scheme Consideration.

- 4.5.1 Scheme Participants who hold Dematerialised UCP Shares will have their accounts held at their CSDP or Broker credited with the Scheme Consideration and debited with the UCP Shares they are transferring to Afrimat pursuant to the Scheme on the Scheme Implementation Date or, in the case of Dissenting Shareholders who subsequently become Scheme Participants pursuant to paragraph 4.8.1 of this Circular, on the date contemplated in paragraph 4.8.1.2 of this Circular.

- 4.5.2 Scheme Participants who hold Certificated UCP Shares:

4.5.2.1 Scheme Participants who hold Certificated UCP Shares shall, against the surrender by them of the Documents of Title in respect of their Scheme Shares and the specification of a valid account with a CSDP or Broker into which the Scheme Consideration is to be transferred, receive the Scheme Consideration.

4.5.2.2 If you are required to complete and return the Form of Surrender and Transfer (*blue*) and you fail to do so or in the Form of Surrender and Transfer (*blue*), you fail to provide any account details, or provide incorrect account details, of your CSDP or Broker, into which your Consideration Shares are to be transferred, your Consideration Shares will be transferred in Dematerialised form to an account in the name of Computershare Nominees, who will, subject to what is stated below, hold such Consideration Shares as the registered holder thereof for and on your behalf, and you will become an Issuer Nominee Dematerialised Afrimat Shareholder.

4.5.2.3 The beneficial ownership of such Consideration Shares will remain with you, as the relevant Issuer Nominee Dematerialised Afrimat Shareholder, subject to what is stated below, and will be recorded on a sub-register (also commonly known as the nominee sub-register) maintained by Computershare. Issuer Nominee Dematerialised Afrimat Shareholders will receive a statement from Computershare, which will confirm the number of Consideration Shares held by such Issuer Nominee Dematerialised Afrimat Shareholder. Issuer Nominee Dematerialised Afrimat Shareholders will have the option to move their Consideration Shares to the account of their own CSDP or Broker or to materialise and certificate their Consideration Shares, at any stage, subject to what is stated below. Issuer Nominee Dematerialised Afrimat Shareholders will be bound by the provisions of Strate's rules and directives in respect of their Consideration Shares held in the nominee sub-register, and will be deemed to have concluded a custody agreement with Computershare, which established a business relationship between Computershare and each Issuer Nominee Dematerialised Afrimat Shareholder. A copy of the aforesaid custody agreement, which will be deemed to have been concluded in such circumstances, is available on the Computershare website at www.computershare.com.

4.5.2.4 UCP Shareholders should note that, should any Issuer Nominee Dematerialised Afrimat Shareholder fail to arrange with Computershare for either the transfer of their Consideration Shares from the nominee sub-register into the account of their own CSDP or Broker or to materialise and certificate their Consideration Shares within 3 (three) years from the Scheme Implementation Date, the Consideration due to such Issuer Nominee Dematerialised Afrimat Shareholder will be disposed of at the ruling market price and the disposal consideration, less the costs and taxes incurred in disposing of the Consideration Shares, will be paid to the benefit of the Guardian's Fund of the Master of the High Court, Johannesburg (the "**Guardian's Fund**"). The proceeds of such disposal may be claimed by the relevant Issuer Nominee Dematerialised Afrimat Shareholder, subject to the requirements imposed by the Master of the High Court, Johannesburg. In this regard, each Issuer Nominee Dematerialised Afrimat Shareholder irrevocably authorises and appoints Afrimat and/or UCP (or its successor-in-title), in *rem suam*, with full power of substitution, to act as its agent and in its name, place and stead to dispose of such Issuer Nominee Dematerialised Afrimat Shareholder's Afrimat Shares and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

4.6 **No Encumbrance**

Each Scheme Participant is deemed, on and with effect from the Scheme Implementation Date, to have warranted and undertaken in favour of Afrimat that (i) the relevant Scheme Shares are not subject to a pledge or otherwise Encumbered, or (ii) if subject to any such pledge or Encumbrance, such Scheme Shares shall be released from such pledge or other Encumbrance immediately on payment and discharge of the Scheme Consideration. In this regard such Scheme Participants irrevocably authorise and appoint UCP and Afrimat, in *rem suam* (that is, irrevocably for UCP's and Afrimat's advantage), with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants in doing all things and signing all documents in ensuring that the relevant Scheme Shares are released from any pledge or Encumbrance, including the removal of any endorsements to that effect present in the Register.

4.7 **Offeror**

4.7.1 Afrimat shall be the entity which will acquire title to the Scheme Shares in terms of the Scheme.

4.7.2 Afrimat confirms that it will be the ultimate acquirer of the Scheme Shares and that it is acting alone and not in concert with any other Person.

4.8 **Dissenting Shareholders**

4.8.1 Any Dissenting Shareholder that withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, either voluntarily or pursuant to an order of Court, or that allows an offer by UCP in terms of section 164(11) of the Companies Act to lapse without exercising its rights in terms of section 164(14) of the Companies Act, shall, if that Dissenting Shareholder withdrew its demand or allowed the offer to lapse:

4.8.1.1 on or prior to the Scheme Consideration Record Date, be deemed to be a Scheme Participant and be subject to the provisions of the Scheme; or

4.8.1.2 after the Scheme Consideration Record Date, be deemed to have been a Scheme Participant and be subject to the provisions of the Scheme, provided that settlement of the Scheme Consideration due to such Dissenting Shareholder, and the transfer of such Dissenting Shareholder's UCP Shares to Afrimat, shall take place on the latest of (i) the Scheme Implementation Date, (ii) the date which is 5 (five) Business Days after that Dissenting Shareholder so withdrew its demand or allowed the offer to lapse, as the case may be, and (iii) if that UCP Shareholder is a Certificated UCP Shareholder, the date which is 5 (five) Business Days after that Dissenting Shareholder shall have surrendered its Documents of Title and completed Form of Surrender and Transfer (*blue*) to Computershare.

4.8.2 The wording of section 164 of the Companies Act (which sets out the Appraisal Rights) is included in **Annexure 9** to this Circular.

4.9 Foreign and Emigrant UCP Shareholders and Exchange Control Regulations

Annexure 8 to this Circular contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are not resident in, or who have a registered address outside of, South Africa, must satisfy themselves as to the full observance of the Laws of any relevant territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such territory.

4.10 Restricted jurisdictions

4.10.1 To the extent that the distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the Laws of such foreign jurisdiction, then this Circular is deemed to have been provided for information purposes only, and none of UCP, Afrimat and their respective boards of directors accept any responsibility for any failure by UCP Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction. UCP Shareholders are, in this regard, referred to the “*Important Legal Notes*” section of this Circular.

4.10.2 UCP Shareholders who are in doubt as to their position should consult their professional advisors.

4.11 Undertakings

Afrimat and UCP have agreed that, upon the Scheme becoming Operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to the Scheme.

4.12 Amendment or variation of the Scheme

Subject to compliance with applicable Law including the requirements of the JSE and the Takeover Panel, no amendment or variation of the Scheme shall be valid unless it is consented to by UCP and Afrimat in writing, provided that Afrimat shall, notwithstanding anything to the contrary in this Circular, be entitled to (without the consent of UCP) propose a higher consideration than the Scheme Consideration.

4.13 General

The Scheme is governed by the Laws of South Africa. Both of UCP and Afrimat submits, and each Scheme Participant shall be deemed to have irrevocably submitted, to the non-exclusive jurisdiction of the High Court of South Africa, Western Cape Division, Cape Town, in relation to all matters arising out of or in connection with the Scheme.

4.14 Major Shareholders

As at the Last Practicable Date, the following UCP Shareholders are directly or indirectly beneficially interested in 5% or more of the issued shares of UCP:

Name	Number of UCP Shares held beneficially	Number of UCP Shares held beneficially as a % of UCP issued share capital
JB Private Equity	436 436 296	37.38%
Afrimat	318 417 860	27.27%
Rozendal Worldwide Flexible Prescient QI Hedge Fund*	90 909 090	7.79%
CIH	74 553 403	6.39%
Counterpoint Boutique	58 952 341	5.05%
Total	979 268 990	83.88%

* represented by Prescient Management Company (RF) Proprietary Limited

5. DELISTING OF UCP

Should the Scheme be implemented, UCP will be a subsidiary of Afrimat and application will be made to the JSE to delist the UCP Shares.

6. INTENTIONS REGARDING THE CONTINUATION OF THE UCP BUSINESS AND THE UCP BOARD

Should the Scheme become Operative, UCP will continue its business as a subsidiary of Afrimat, following which the size, remuneration and composition of the UCP Board will be considered, taking into account, *inter alia*, that UCP will be a subsidiary of Afrimat rather than a listed entity.

7. INTERESTS OF AFRIMAT AND AFRIMAT DIRECTORS IN UCP SECURITIES

- 7.1 As at the Last Practicable Date, the Afrimat Group held 318 417 860 UCP Shares, equal to 27.27% of the issued UCP Shares.
- 7.2 Afrimat has had no dealings in UCP Shares during the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date.
- 7.3 As at the Last Practicable Date, none of the Afrimat Directors have any beneficial interest in UCP Shares.
- 7.4 None of the Afrimat Directors have had any dealings in UCP Shares during the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date.

8. INTERESTS OF AFRIMAT DIRECTORS IN AFRIMAT SECURITIES

- 8.1 As at the Last Practicable Date, no Afrimat Director had any beneficial interest in Afrimat securities, other than the beneficial interest in Afrimat securities as set out below:

Afrimat Director	Direct	Indirect	Aggregate % of Afrimat issued share capital
GJ Coffee	680 084	–	0.47%
L Dotwana	–	2 946 829	2.06%
AJ van Heerden	4 087 548	853 564	3.45%
HJE van Wyk	–	112 000	0.08%
JF van der Merwe	22 500	–	0.01%
PGS de Wit	209 325	–	0.15%
MW von Wielligh	400 000	60 000	0.33%
HN Pool	–	397 662	0.28%
FM Louw	285 714	–	0.20%
C Ramukhubathi	5 415	–	0.01%
Total	5 690 586	4 370 055	7.04%

- 8.2 The Afrimat Directors had no dealings in Afrimat securities during the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date, other than the following dealings in Afrimat as set out below:

Afrimat Director	Date	Nature of Transaction	Number of Afrimat securities	Price
L Dotwana	05/06/2020	Disposal of shares	77 414	R30.00
L Dotwana	08/06/2020	Disposal of shares	40 286	R30.00
AJ van Heerden	31/07/2020	Acquisition	33 571	R36.11
PGS de Wit	31/07/2020	Acquisition	14 619	R36.11
C Ramukhubathi	31/07/2020	Acquisition	5 415	R36.11

9. INTERESTS OF UCP AND UCP DIRECTORS IN AFRIMAT SECURITIES

- 9.1 As at the Last Practicable Date, UCP held no Afrimat securities.
- 9.2 UCP had no dealings in Afrimat securities during the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date.
- 9.3 As at the Last Practicable Date, no UCP Director held any beneficial interest in Afrimat securities.
- 9.4 No UCP Director had any dealings in Afrimat securities during the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date.

10. INTERESTS OF UCP DIRECTORS IN UCP SECURITIES

- 10.1 As at the Last Practicable Date, no UCP Director, or former director in the past six months, had any beneficial interest in UCP Shares, other than as set out below:

UCP Director	Direct	Indirect	Aggregate % of UCP issued share capital
JC Badenhorst	–	1 279 056	0.11
JC Lemmer*	4 400 000	–	0.38
T de Bruyn	–	2 876 236	0.25
Total	4 400 000	4 155 292	0.74

*Mr JC Lemmer resigned with effect from 30 June 2020.

Note: In addition to the holdings set out in the table above, Mr Theunis de Bruyn and Mr Jacques Badenhorst have an 8% and a 2% interest, respectively, in JB Private Equity Partnership, an *en commandite* partnership, as limited partners. As set out in paragraph 4.14 above, JB Private Equity is the holder of 436 436 296 UCP Shares. The General Partner in the JB Private Equity Partnership is JB Private Equity Proprietary Limited, a company in respect of which, in terms of its shareholders agreement, Mr Jacques Badenhorst enjoys 10% of the voting rights and 50% of the economic benefits arising as a consequence of his shareholding therein.

- 10.2 No UCP Director had any dealings in UCP Shares during the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date.

11. IRREVOCABLE UNDERTAKINGS

The UCP Shareholders listed in **Annexure 10** to this Circular, collectively holding 57.04% of the aggregate issued UCP Shares (being 78.94% of issued UCP Shares, excluding the Excluded Shares, as at the date of the Firm Intention Announcement), provided Irrevocable Undertakings to vote in favour of the Scheme Resolution in respect of UCP Shares held by them at the time of the General Meeting. The Irrevocable Undertakings were provided during May 2020, prior to UCP's 30 June 2020 financial year-end, and were subsequently reinstated in early July 2020 on identical terms, following their expiry.

12. DEALINGS BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS

To the best of the knowledge of UCP, the providers of Irrevocable Undertakings had no dealings in UCP securities during the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date.

13. AGREEMENTS

- 13.1 Save for the Firm Intention Offer Letter and the Irrevocable Undertakings:

13.1.1 no agreements have been entered into by Afrimat and/or any Persons acting in concert with Afrimat (there being none), with any of:

13.1.1.1 UCP;

13.1.1.2 the UCP Directors (or persons who were UCP Directors in the 12 months preceding the Last Practicable Date); or

- 13.1.1.3 UCP Shareholders (or Persons who were UCP Shareholders in the 12 months preceding the Last Practicable Date) which agreements are considered to be material to the decision to be taken by UCP Shareholders regarding the Scheme; and
- 13.1.2 no agreement has been entered into by UCP with any of:
 - 13.1.2.1 Afrimat and/or Persons acting in concert with Afrimat (there being none);
 - 13.1.2.2 the Afrimat Directors (or persons who were Afrimat Directors in the 12 months preceding the Last Practicable Date); or
 - 13.1.2.3 Afrimat and/or Afrimat Shareholders (or Persons who were Afrimat Shareholders in the 12 months preceding the Last Practicable Date) which agreements are considered to be material to the decision to be taken by UCP Shareholders regarding the Scheme.
- 13.2 The material terms of the Irrevocable Undertakings are, *inter alia*, that the providers of the Irrevocable Undertakings, irrevocably undertake in favour of Afrimat to vote in favour of, or support, the Scheme Resolution to be proposed at the General Meeting.

14. FINANCIAL INFORMATION OF UCP

- 14.1 Extracts from the consolidated historical financial information of UCP for the last three financial years ended 30 June 2017, 2018 and 2019 are annexed hereto as **Annexure 2**.
- 14.2 Copies of the full audited consolidated historical financial information of UCP for the last three financial years ended 30 June 2017, 2018 and 2019, as well as the interim financial information of UCP for the six-month period ended 31 December 2019, will be available for inspection by UCP Shareholders during normal business hours at the registered office of UCP and Afrimat and at the offices of PSG Capital from Wednesday, 9 September 2020 until the date of the General Meeting (both days inclusive) and are also available on UCP's website (<https://www.unicorncapital.co.za>). Shareholders are advised that the financial results of UCP for the year ended 30 June 2020 are currently being finalised and either audited or reviewed results will be published on SENS as soon as they are available. UCP will endeavour to publish its financial results for the year ended 30 June 2020 (audited or reviewed), alternatively, the Trading Statement, by no later than 10:00 on Wednesday, 7 October 2020 (being at least 48 hours before the General Meeting). If UCP is unable to do so, the General Meeting shall still be convened at 10:00 on Friday, 9 October 2020, but then immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 48 hours after publication of such financial results or Trading Statement.
- 14.3 The summarised *pro forma* financial effects of the Scheme, as set out in the table below, are the responsibility of the UCP Board. The summarised *pro forma* financial effects are presented in a manner consistent with the basis on which the consolidated historical financial information of Afrimat has been prepared in terms of Afrimat's accounting policies, which are similar to the accounting policies of UCP. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present Afrimat's financial position, changes in equity, results of operations or cash flows post the implementation of the Scheme.
- 14.4 Due to the year-end of UCP being 30 June each year and the year-end of Afrimat being 28 February each year, the summarised *pro forma* financial information of UCP after the Scheme has been prepared based on the condensed consolidated statement of profit or loss of UCP for the rolling 12-month period ended 31 December 2019, annexed hereto as **Annexure 3** and on the assumption that the Scheme took place with effect from 1 March 2019 (being the commencement of Afrimat's last reported financial year), for purposes of the *pro forma* consolidated statement of profit or loss for the rolling 12-month period and on 29 February 2020, for purposes of the *pro forma* consolidated statement of financial position.

- 14.5 The report of the Independent Reporting Accountant to UCP in respect of the condensed consolidated statement of profit or loss of UCP for the rolling 12-month period ended 31 December 2019 appears in **Annexure 4** to this Circular.

	Before implementation of the Scheme (cents) (1 UCP share)	Pro forma after implementation of the Scheme³ (cents) (equivalent of 1 UCP share)	Change (%)
Net asset value per share ¹	52.2	4.6	(91.19)
Tangible net asset value per share ¹	33.7	4.0	(88.13)
Headline earnings per ordinary share ("HEPS") ²			
<i>Continuing operations</i>	(5.61)	1.05	118.72
<i>Discontinued operations</i>	(2.33)	(0.07)	97.0
Earnings per ordinary share ²			
<i>Continuing operations</i>	(6.64)	1.04	115.66
<i>Discontinued operations</i>	(3.33)	(0.07)	97.90

Notes and Assumptions

- 1) Net asset value per share and tangible net asset value per share extracted from the balance sheet, without adjustment, within the interim results of UCP for the six months ended 31 December 2019.
- 2) Headline earnings per ordinary share and earnings per ordinary share extracted from the *pro forma* rolling 12 months ended 31 December 2019, as set out in **Annexure 3**.
- 3) The financial effects shown reflect Afrimat's *pro forma* asset and earnings ratios, considering the acquisition of 100% of UCP in terms of the Scheme divided by 280 to show the equivalent of 1 UCP Share.

15. FINANCIAL INFORMATION OF AFRIMAT

- 15.1 Extracts from the consolidated historical financial information of Afrimat for the last three financial years ended 28/29 February 2018, 2019 and 2020 are annexed hereto as **Annexure 5**.
- 15.2 Copies of the full audited consolidated historical financial information of Afrimat for the last three financial years ended 28/29 February 2018, 2019 and 2020, will be available for inspection by UCP Shareholders during normal business hours at the registered office of UCP and Afrimat and at the offices of PSG Capital from Wednesday, 9 September 2020 until the date of the General Meeting (both days inclusive) and are also available on Afrimat's website (<https://www.afrimat.co.za>).
- 15.3 The *pro forma* financial effects of the Scheme, as set out in **Annexure 6**, are the responsibility of the Afrimat Board. The *pro forma* financial effects are presented in a manner consistent with the basis on which the consolidated historical financial information of Afrimat has been prepared and in terms of Afrimat's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present Afrimat's financial position, changes in equity, results of operations or cash flows post the implementation of the Scheme.

- 15.4 The *pro forma* financial information of Afrimat has been prepared based on the assumption that the Scheme took place with effect from 1 March 2019 for purposes of the *pro forma* consolidated statement of comprehensive income and on 29 February 2020 for purposes of the *pro forma* consolidated statement of financial position.

	Afrimat audited results for the year ended February 2020¹ (cents)	<i>Pro forma</i> after implementation of the Scheme² (cents)	Change (%)
Net asset value per share	1 246	1 297	4.10
Tangible net asset value per share	1 090	1 123	3.03
Headline earnings per ordinary share ("HEPS")			
<i>Continuing operations</i>	347.7	293.1	(15.70)
<i>Discontinued operations</i>	–	(19.5)	–
Earnings per ordinary share			
<i>Continuing operations</i>	341.6	290.0	(15.11)
<i>Discontinued operations</i>	–	(28.0)	–

Notes and Assumptions

- 1) Extracted, without adjustment, from the audited results of Afrimat for the year ended 29 February 2020.
2) Further detailed notes and assumptions to the *pro forma* financial information of Afrimat are set out in **Annexure 6**.

- 15.5 The Independent Reporting Accountant to Afrimat's report on the *pro forma* financial information of Afrimat is annexed hereto as **Annexure 7**.

16. REPORT OF THE INDEPENDENT EXPERT

- 16.1 The report of the Independent Expert prepared in accordance with sections 114(2) and 114(3) of the Companies Act and regulations 90 and 110 of the Companies Regulations is provided in **Annexure 1** to this Circular and has not been withdrawn prior to publication of this Circular.
- 16.2 Having considered the terms and conditions of the Scheme, based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Scheme (including the swap ratio of Afrimat Shares for UCP Shares), are fair and reasonable to UCP Shareholders, as each of these terms is contemplated in the Companies Regulations.

17. THE VIEWS OF THE INDEPENDENT BOARD ON THE SCHEME

- 17.1 As stated above, the Independent Board has appointed the Independent Expert to compile a report on the Scheme. The Afrimat Board has provided all relevant information on Afrimat requested by the Independent Expert in order to compile the report.
- 17.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration, as contemplated in Companies Regulation 110(3)(b). The Independent Board has formed a view on the value of UCP Shares and of the range of the swap ratio of Afrimat Shares for UCP Shares as the Scheme Consideration, which accords with the value of UCP Shares and range as contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board is aware of those factors, as set out in paragraph 17.4, which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) which were considered by the Independent Expert and referred to in its report, and has taken such factors into account in forming its opinion.
- 17.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Scheme, and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to UCP Shareholders, and, accordingly, recommend that UCP Shareholders vote in favour of the Scheme Resolution at the General Meeting.

17.4 The Independent Board noted that the valuation range for UCP is 10.6 cents to 23.1 cents per UCP Share. The reason for the wide range is mainly due to the valuation of Nkomati where debt levels are high, liquidity is constrained and there is operational uncertainty. From a group perspective, the high debt levels within the group have made it difficult to raise additional funding. The Independent Expert determined a fair value swop range of between 130 and 394 UCP Shares for every one new listed Afrimat Share, with a midpoint of 262 UCP Shares. The swop ratio of 280 UCP Shares falls within the fair value swop range, albeit below the midpoint. Overall, the Independent Board considered that, despite the offer by Afrimat being below the midpoint of the fair value swop range, it is still fair and would be of benefit to the UCP Shareholders for the following factors, amongst others:

- the offer approximated the current trading price and trade in the UCP Shares were illiquid, compared to the trade in Afrimat Shares, which enjoyed good liquidity and would present an easy exit for minority UCP Shareholders should they wish to realise their investment into cash;
- UCP Shareholders would still have some exposure to the upside potential of UCP though a shareholding in Afrimat, which upside could be quickly unlocked by Afrimat;
- Afrimat is a strong partner for the Nkomati mine, being able to fund the development of the underground mining and provide access to broader mining expertise;
- UCP currently has high debt levels and would need to seek additional funding to develop the underground mining, which might require further dilution for existing shareholders in an uncertain market; and
- the offer enjoys the support of the funders of UCP and the Mpumalanga Economic Growth Agency, the minority partner in the Nkomati mine.

17.5 The Independent Board has made the report of the Independent Expert available to the Afrimat Board. In accordance with Companies Regulation 106(6)(b), the Afrimat Board has placed reliance on the valuation performed by the Independent Expert and is also unanimously of the opinion that the terms and conditions of the Scheme are fair and reasonable to UCP Shareholders.

17.6 As at the Last Practicable Date, the UCP Board has not received any firm intention offers, other than in relation to the Scheme set out in this Circular.

18. INTENDED ACTION OF UCP DIRECTORS

All the UCP Directors who own UCP Shares in their own beneficial capacity intend to vote in favour of the Scheme at the General Meeting.

19. UCP DIRECTORS' SERVICE CONTRACTS

19.1 The executive UCP Directors have concluded service contracts with terms and conditions that are market-related and appropriate for their positions in UCP.

19.2 No service contracts have been concluded between UCP and the non-executive UCP Directors.

19.3 All UCP Directors, other than the executive UCP Directors, are subject to retirement by rotation and re-election in terms of the MOI.

20. SERVICE CONTRACTS ENTERED INTO OR AMENDED

No service contracts of the executive UCP Directors have been entered into or amended within the period from 21 January 2020 (being six months prior to the publication of the Firm Intention Announcement) up to the Last Practicable Date. However, pursuant to the resignation of the Chief Financial Officer with effect from 30 June 2020, UCP has appointed Catherine Wolmarans as Acting Chief Financial Officer with effect from 1 July 2020, until a permanent appointment has been finalised. Ms Catherine Wolmarans' experience and expertise have been considered by the UCP Audit and Risk Committee and the committee is satisfied with same. The position is not a board appointment. A new appointment will only be considered after the Scheme Meeting.

21. REMUNERATION OF UCP DIRECTORS

21.1 The remuneration of the non-executive UCP Directors will not be affected by the Scheme. However, following the successful implementation of the Scheme, the composition and remuneration of the UCP Board will be assessed by Afrimat, taking into account, *inter alia*, that UCP will be a subsidiary of Afrimat rather than a listed entity. The members of the Independent Board will receive a fee for their role as independent board in the Scheme, which fee is covered by the existing authority approved by UCP Shareholders at UCP's annual general meeting held on 20 November 2019.

21.2 Following the successful implementation of the Scheme, the executive UCP Directors will be subject to Afrimat's remuneration policies and will receive a total remuneration commensurate with that of similarly-positioned Afrimat employees, taking into account their remuneration prior to the implementation of the Scheme.

22. TAX IMPLICATIONS FOR UCP SHAREHOLDERS

Scheme Participants will not incur an immediate tax obligation upon the Scheme being implemented, as a result of the section 42 roll-over relief provisions in the Income Tax Act, 1962. However, the deferred tax obligation may arise in future, should Scheme Participants dispose of the Consideration Shares issued to them under the Scheme. The tax position of an UCP Shareholder under the Scheme is dependent on such UCP Shareholder's individual circumstances, including but not limited to whether it holds the UCP Shares as capital assets or as trading stock, whether the UCP Shares are held by a Collective Investment Scheme or Pension Fund and on the tax jurisdiction in which the UCP Shareholder is resident. It is recommended that the UCP Shareholders seek appropriate advice in this regard. No dividend tax is applicable to the Scheme Consideration.

23. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this Circular which relates to UCP and confirms that, to the best of its knowledge and belief, such information which relates to UCP is true and the Circular does not omit anything likely to affect the importance of such information.

24. AFRIMAT BOARD RESPONSIBILITY STATEMENT

The Afrimat Board accepts responsibility for the information contained in this Circular which relates to Afrimat and confirms that, to the best of its knowledge and belief, such information which relates to Afrimat is true and the Circular does not omit anything likely to affect the importance of such information.

25. ADVISORS' CONSENTS

The parties referred to in the "*Corporate Information and Advisors*" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

26. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by the UCP Shareholders at the registered office of UCP and at the offices of PSG Capital and Afrimat at their respective addresses set out in the "*Corporate Information and Advisors*" section of this Circular, and on the websites, www.unicorncapital.co.za and www.afrimat.co.za, from the date of posting of this Circular until the Scheme Implementation Date:

26.1 the extracts from the financial statements of UCP for the three financial years ended 30 June 2017, 2018 and 2019, as reproduced in **Annexure 2** to this Circular as well as the full audited annual financial statements of UCP for the three financial years ended 30 June 2017, 2018 and 2019;

26.2 the condensed consolidated statement of profit or loss of UCP for the rolling 12-month period ended 31 December 2019 as reproduced in **Annexure 3** to this Circular;

- 26.3 the Independent Reporting Accountant to UCP's report on the condensed consolidated statement of profit or loss of UCP for the rolling 12-month period ended 31 December 2019;
- 26.4 the extracts from the annual financial statements of Afrimat for the three financial years ended February 2018, 2019 and 2020, as reproduced in **Annexure 5** to this Circular as well as the full audited annual financial statements of Afrimat for the three financial years ended February 2018, 2019 and 2020;
- 26.5 the *pro forma* financial information of Afrimat;
- 26.6 the Independent Reporting Accountant to Afrimat's report on the *pro forma* financial information of Afrimat;
- 26.7 the consent letter of the Independent Expert and all other consent letters referred to in paragraph 25 of this Circular;
- 26.8 the Irrevocable Undertakings;
- 26.9 a signed copy of this Circular;
- 26.10 the signed report of the Independent Expert;
- 26.11 the letter confirming approval of this Circular by the Takeover Panel;
- 26.12 the signed Firm Intention Letter; and
- 26.13 the MOI.

SIGNED AT SANDTON ON WEDNESDAY, 9 SEPTEMBER 2020 BY RB PATMORE ON BEHALF OF THE UCP INDEPENDENT BOARD



RB PATMORE

Chairman of the Independent Board

SIGNED AT BELLVILLE ON WEDNESDAY, 9 SEPTEMBER 2020 BY PGS DE WIT ON BEHALF OF AFRIMAT BOARD



PGS DE WIT

Chief Financial Officer

REPORT OF THE INDEPENDENT EXPERT REGARDING THE SCHEME

The Directors

Unicorn Capital Partners Limited
First Floor, Building 8
Inanda Green Office Park
Wierda Road West, Wierda Valley
Sandton
2196

3 September 2020

Dear Sir

FAIR AND REASONABLE OPINION IN TERMS OF SECTION 114 OF THE COMPANIES ACT, AS READ WITH REGULATIONS 90 AND 110 OF THE COMPANIES REGULATIONS

Introduction and proposed transaction

Unicorn Capital Partners Limited (“Unicorn”) board of directors has received a firm intention from Afrimat Limited (“Afrimat”) (“the Firm Intention”) to acquire the entire issued ordinary share capital of Unicorn not already held by Afrimat, or treasury shares held by subsidiaries of Unicorn (“treasury shares”), by way of a scheme of arrangement in terms of Section 114 of the Companies Act, 71 of 2008 (“the Act”) (“the Offer”).

In terms of the firm intention, Afrimat proposes to acquire the shares not already held by Afrimat in consideration for the issue of new listed Afrimat ordinary shares, at a ratio of one new Afrimat share for every 280 Unicorn shares not already held by Afrimat or treasury shares, with no cash alternative (“Offer Consideration”).

Scope

A scheme of arrangement is an affected transaction as defined in Section 117(1) (c) of the Act. In terms of Sections 114(2) of the Act, as read with the Companies Regulations, 2011 (“Companies Regulations”) 90 and 110 of the Companies Regulations, Unicorn is required to retain an independent expert to provide an independent expert report in terms of Section 114(3) of the Act and Regulations 90 and 110 of the Companies Regulations (the “Fair and Reasonable Opinion” or “Opinion”).

Exchange Sponsors Projects (Pty) Ltd (“Exchange Sponsors”) has been appointed by the Independent Board of Unicorn as the Independent Expert to advise on whether the terms and conditions of the Offer are fair and reasonable to the shareholders of Unicorn.

Responsibility

Compliance with the Act and the Companies Regulations is the responsibility of the Independent Board. Our responsibility is to report to the Independent Board on whether the terms and conditions of the Offer and the Offer Consideration are fair and reasonable to Unicorn Shareholders.

Definition of the terms “fair” and “reasonable”

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be said to be fair to a Company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up. The Offer may be said to be fair to the Shareholders if the Offer Consideration is equal to or greater than the fair value of a Unicorn Share, or unfair if the Offer Consideration is less than the fair value of a Unicorn Share. Furthermore, in terms of Regulation 110(8) of the Companies Regulations, an offer with a consideration per offeree regulated company security within the fair-value range is generally considered to be fair.

The assessment of reasonableness of the Offer is generally based on qualitative considerations surrounding the transaction. In terms of Regulation 110(9) an offer with an Offer Consideration per regulated company security above the offeree regulated company's traded security price at the time the offer consideration per security was announced, or at some other more appropriate identifiable time, is generally considered to be reasonable.

Unicorn

Sources of information

In arriving at our Opinion, we have relied upon the following principal sources of information:

- the Firm Intention letter;
- terms and conditions of the Offer, as set out in the Circular;
- the integrated annual report of Unicorn and annual financial statements of Unicorn and its subsidiaries for the financial years ended 30 June 2019, 30 June 2018 and 30 June 2017;
- unaudited interim results of Unicorn and its subsidiaries for the six months ended 31 December 2019;
- management accounts of Unicorn and its subsidiaries as at 30 June 2020;
- Independent Competent Persons' Report on Unicorn Partners Limited's Nkomati Anthracite Mine, South Africa prepared by Tenement Mining dated 7 December 2019 ("CPR");
- Mine financial model relating to Nkomati Anthracite Mine prepared by management dated June 2020;
- discussions with the Unicorn directors and management and/or their advisors regarding the Offer;
- discussions with Unicorn directors and management regarding the historical financial information of Unicorn;
- discussions with the previous financial director and/or the Independent Board of Unicorn on prevailing market, economic, legal and other conditions which may affect underlying value;
- publicly available information relating to the industry in which Unicorn operates in general; and
- publicly available information relating to Unicorn that we deemed to be relevant, including Unicorn announcements and media articles.

The information above was secured from:

- Unicorn directors and management; and
- third-party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Unicorn.

Procedures

In arriving at our Opinion, we have undertaken the following procedures and taken into account the following factors in evaluating the Offer:

- reviewed the terms and conditions of the Firm Intention letter;
- analysed and reviewed all relevant financial information as set out above;
- performed such other studies and analyses as we deemed appropriate and have considered our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the industry in which Unicorn operates;
- held discussions with Unicorn executive directors regarding the past business performance and operations, and historic financial performance of Unicorn.
- held discussions with the previous financial director and/or the Independent Board of Unicorn regarding the current and past business performance and operations, regulatory requirements, financial conditions of Unicorn, the potential impact of the COVID-19 pandemic on business operations and such other matters as we have deemed relevant to our inquiry;
- determined the fair value of Unicorn by applying appropriate generally accepted valuation approaches and methods in use in the market from time to time in order to derive the fair value of a Unicorn Share. A sum-of-the-parts valuation of Unicorn was performed by valuing each of the business entities separately;
- evaluated the relative risks associated with Unicorn and the industry in which it operates;
- considered the long-term prospects of Unicorn;
- reviewed certain publicly available information relating to Unicorn and the industry in which it operates that we deemed to be relevant, including announcements and media articles;

- where relevant, representations made by Unicorn directors and management were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Unicorn operates, and to analyse external factors that could influence the business of Unicorn;
- the key internal value drivers for the three companies that operate in the industrial markets being; JEF Drill and Blast (Pty) Ltd, Richie Crane Hire (Pty) Ltd and the Geosearch Group (“three industrial companies”), including revenue growth, operating margins and operational leverage. A 1% change in the EBITDA of the three industrial companies over the valuation period will result in a change in the Unicorn value of 1.41%, which would not change our valuation range and opinion below; and
- the key internal drivers for Nkomati Anthracite mine (“Nkomati”) are selling price per ton of anthracite. A 1% increase in the selling price will result in a 9.9% increase in the Unicorn valuation and a 1% decrease in selling price will result in a 10.4% decrease in the Unicorn valuation. A 1% increase in the discount rate will result in a 15.3% increase in the Unicorn value and a 1% decrease in the discount rate result in a 16.3% decrease in the Unicorn value. The valuation sensitivities have also been affected by the large debt levels at Nkomati and Unicorn group level. These sensitivities have been taken into account in our valuation resulting in such a wide valuation range.

Valuation Approach

We have performed a sum-of-the-parts valuation of Unicorn, by valuing each of the business entities separately. We were not able to perform a valuation at group level as Unicorn is an investment company with businesses that operate in different industries and have different valuation characteristics and risks.

For the three industrial companies’ valuations have been performed using the PE ratio method and EV/EBITDA method. This involved identifying comparable listed peers, applying appropriate discounts to the valuation multiples of these peers, to take into account size and tradeability and multiplying the weighted adjusted EV/EBITDA multiple and weighted adjusted PE ratio with the results of the previous year to 30 June 2019 (FY19) and the year to 30 June 2020 (FY20). The results for FY19 and FY20 were adjusted to take into account once off and non-recurring events, the main item being the exclusion of the loss-making Botswana operations from the results of Geosearch Group.

For the non-operating subsidiaries, only the estimated realisable net asset value was determined.

Two valuation approaches were used to value Nkomati, being the Market Approach (sales comparison) and an Income Approach (DCF valuation).

For the Nkomati valuation, substantial reliance was placed on the CPR and mine financial models prepared by management.

For the Market Approach, two recent transactions of anthracite mines were used as comparable transactions and adjusted for comparable coal reserves to obtain a valuation range. From this valuation range we deducted other assets and liabilities in Nkomati Anthracite (Pty) Limited (“Nkomati company”) to determine the value attributable to Unicorn.

For the Income Approach, a DCF valuation of the mine was determined using a real discount rate. The real discount rate was determined with reference to the real implied rate of return of current price for comparable mining shares. From this valuation range we deducted the rehabilitation liabilities, other assets and liabilities in the Nkomati company to determine the value attributable to Unicorn.

The sum of the parts value of the various group companies was calculated and adjusted for assets and liabilities in Unicorn.

We determined a valuation range for Unicorn of between 10.6 cents per share and 23.1 cents per share, with a midpoint value of 17.0 cents per share.

Assumptions

We arrived at our Opinion based on the following assumptions:

- current economic, regulatory and market conditions will not change materially;
- Unicorn is not involved in any other material legal proceedings other than what has been disclosed in the integrated annual report for the year ended 30 June 2019 and Circular;
- there are no known undisclosed contingencies that could have a material effect on the value of Unicorn;

- that the Offer will have the legal, accounting and taxation consequences described in the Circular and discussions with, and materials furnished to us by representatives and advisers of Unicorn;
- that reliance can be placed on the financial information of Unicorn as set out above; and
- reliance on the assumptions in the information available made by Unicorn's representatives during the course of forming this Opinion.

Afrimat

Sources of information

In arriving at our Opinion, we have relied upon the following principal sources of information:

- the Firm Intention letter;
- terms and conditions of the Offer, as set out in the Circular;
- the integrated annual report of Afrimat for the financial years ended 29 February 2020 and 28 February 2019;
- unaudited interim results of Afrimat for the six months ended 31 August 2019;
- five-year forecast for Afrimat for the years ending 28 February 2025;
- Afrimat SENS announcement regarding the acquisition of Coza Mining (Pty) Ltd which owns three mining assets being Jenkins, Driehoekspan and Doornpan in the Northern Cape Province of South Africa, dated 17 August 2020;
- Technical report on the Iron Ore prospecting work on the farms Jenkins, Driehoekspan and Doornpan in the Northern Cape Province of South Africa dated 31 March 2013;
- discussions with the Afrimat directors and management and/or their advisors regarding the Offer;
- discussions with Afrimat directors and management regarding the historical financial information and five-year forecast of Afrimat;
- discussions with the Afrimat directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- publicly available information relating to the industry in which Afrimat operates in general; and
- publicly available information relating to Afrimat that we deemed to be relevant, including Afrimat announcements and media articles.

The information above was secured from:

- Afrimat directors and management; and
- third-party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Afrimat.

Procedures

In arriving at our Opinion, we have undertaken the following procedures and taken into account the following factors in evaluating the Offer:

- reviewed the terms and conditions of the Firm Intention letter;
- analysed and reviewed all relevant financial information as set out above;
- performed such other studies and analyses as we deemed appropriate and have considered our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the industry in which Afrimat operates;
- held discussions with Afrimat directors and management regarding the past and current business operations, regulatory requirements, financial conditions and prospects of Afrimat, the potential impact of the COVID-19 pandemic on business operations and such other matters as we have deemed relevant to our inquiry;
- determined the fair value of Afrimat by applying appropriate generally accepted valuation approaches and methods in use in the market from time to time in order to derive the fair value of an Afrimat Share. A DCF valuation of Afrimat was performed;
- evaluated the relative risks associated with Afrimat and the industry in which it operates;
- considered the long-term prospects of Afrimat;

- reviewed certain publicly available information relating to Afrimat and the industry in which it operates that we deemed to be relevant, including announcements and media articles; and
- where relevant, representations made by Afrimat directors and management were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Afrimat operates, and to analyse external factors that could influence the business of Afrimat.

Valuation Approach

In evaluating the Offer, we performed a DCF valuation of Afrimat based on management's five-year forecast for the years ending 28 February 2025.

The DCF valuation method discounts the stream of future free cash flows attributable to the business, at an appropriate discount rate. Free cash flows represent the cash, which Afrimat generates from its operating activities, after deducting taxation payable, working capital movements and capital expenditure. Interest received and paid, depreciation and dividends declared were excluded in determining free cash flows.

From these discounted cashflows the enterprise value for Afrimat was calculated and adjusted for cash and borrowings to calculate the equity value. A minority discount was not applied to the equity value as this report and opinion does not purport to cater for individual shareholders' positions but rather the general body of Unicorn shareholders who swap shares as minority shareholders in Unicorn for shares in Afrimat as minority shareholders.

We compared the DCF valuation with a PE ratio valuation to ensure the valuation range was comparable. The PE ratio method involved identifying comparable listed peers and multiplying the PE ratio with the results for the years to 28 February 2019 (FY19), 29 February 2020 (FY20) and the projection for year to 28 February 2021 (FY21).

The key internal value drivers for the business of Afrimat are as follows:

- South African GDP forecast and specifically growth in the construction industry;
- Iron ore price of \$80/ton and the Dollar/ZAR exchange rate of R16.50 for these exports; and
- Inflation rate of 5.4% and the impact on operating margins.

The critical DCF valuation assumptions were:

- Terminal growth rate: 4%;
- 5-year Revenue CAGR: 3.7%; and
- Discount rate: 15%.

Sensitivity analyses were performed on the key assumptions in arriving at a value range per Afrimat share, excluding treasury shares, as set out below:

Value per share (cents)	Discount rate		
	14%	15%	16%
Terminal growth rate			
3%	3 848	3 219	2 991
4%	4 181	3 419	3 008
5%	4 604	3 658	3 025

Based on the above valuation range per Afrimat share and taking into account the Offer consideration of one new listed Afrimat ordinary share for every 280 Unicorn shares, the implied Unicorn share price is as follows:

Value per share (cents)	Discount rate		
	14%	15%	16%
Terminal growth rate			
3%	13.74	11.50	10.68
4%	14.93	12.21	10.74
5%	16.44	13.07	10.80

Assumptions

We arrived at our Opinion based on the following assumptions:

- current economic, regulatory and market conditions will not change materially;
- Afrimat is not involved in any other material legal proceedings other than what has been disclosed in the integrated annual report for the year to 29 February 2020 and Circular;
- there are no known undisclosed contingencies that could have a material effect on the value of Afrimat;
- that the Offer will have the legal, accounting and taxation consequences described in the Circular and discussions with, and materials furnished to us by representatives and advisers of Afrimat;
- that reliance can be placed on the financial information of Afrimat as set out above; and
- reliance on the assumptions in the information available made by Afrimat's representatives during the course of forming this Opinion.

Opinion

We determined a value range for Unicorn of between 10.6 cents per share and 23.1 cents per share, with a midpoint value of 17.0 cents per share. Our value range for Afrimat is between 3 008 cents per share and 4 181 cents per share with a midpoint value of 3 595 cents per share.

Our range of fair values for the shares of Unicorn and Afrimat calculates into a fair value swop ratio range of between 130 and 394 Unicorn shares for everyone one new listed Afrimat share, with a midpoint of 262 Unicorn shares for everyone one new listed Afrimat share.

Exchange Sponsors has considered the terms and conditions of the Offer and, based upon and subject to the conditions set out herein, we are of the opinion that the Offer consideration of one new listed Afrimat ordinary share for every 280 Unicorn shares is fair due to the swop ratio falling inside our swop value range for exchanging Unicorn shares for newly listed Afrimat shares.

In considering the reasonableness of the Offer we have reviewed the recent share price movements of Afrimat as follows:

	Afrimat share price (cents)	Value traded R'm	Implied Unicorn share price at 280 ratio (cents)
21 July 2020 – day before firm intention announcement	3 200	–	11.43
30 day trading volume weighted average price up to 21 July 2020	3 131	92.3	11.18

We have further considered the following items:

- Liquidity and funding constraints of Unicorn;
- Unicorn's high debt levels;
- Funding required for Nkomati to commence underground mining and exploration of opencast mining;
- Afrimat is a large listed and well diversified mining company; and
- Afrimat shares are very liquid with trading in shares since 1 January 2020 in excess of R400 million.

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the Offer are reasonable in the circumstances.

Our Opinion is necessarily based upon the information available to us up to 18 August 2020, including financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Offer have been fulfilled or obtained. Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This Fair and Reasonable Opinion is provided in connection with and for the purposes of the Offer. It does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders. Should a Shareholder be in doubt as to what action to take, he or she should consult an independent adviser. Individual Shareholder's decisions regarding the Offer may be influenced by such Shareholder's circumstances and accordingly individual Shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Offer.

We have relied upon and assumed the accuracy of the information provided to us in deriving our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our Opinion, whether in writing or obtained in discussion with Unicorn management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Unicorn and Afrimat relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Unicorn or Afrimat will correspond to those projected. We have, however, compared the forecast financial information of Unicorn and Afrimat to past trends as well as discussing the assumptions inherent therein with Unicorn and Afrimat management.

We have also assumed that the Offer will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisers of Unicorn and Afrimat and we express no opinion on such consequences. Our Opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the Opinion, and we are under no obligation to update, review or re-affirm our Opinion based on such developments.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of a Unicorn Share. We do not express any view as to the price at which Shares may trade nor on the future value, financial performance or condition of Unicorn or Afrimat.

Independence, competence and fees

We confirm that neither we nor any person related to us (as contemplated in the Act) have a direct or indirect interest in the Unicorn Shares or the Offer, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Act, and specifically declare, as required by Companies Regulations 90(6)(i) and 90(3)(a), that we are independent in relation to the Offer and will reasonably be perceived to be independent.

We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R375 000 are not contingent upon the success of the Offer. Our fees are not payable in shares.

Consent

We hereby consent to the inclusion of this Fair and Reasonable Opinion, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Offer, in the form and context in which they appear.

Yours faithfully

Marius Meyer CA (SA)
Director

Exchange Sponsors
44a Boundary Road
Inanda
2196

EXTRACTS FROM THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF UCP FOR THE FINANCIAL YEARS ENDED 30 JUNE 2019, 30 JUNE 2018 AND 30 JUNE 2017

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity and cash flow statements and notes of UCP for the financial years ended 30 June 2017, 2018 and 2019, have been extracted and compiled from the audited consolidated annual financial statements of UCP. Aforementioned consolidated annual financial statements were compiled by JC Lemmer CA (SA) and were approved by the UCP directors on 29 September 2017, 28 September 2018 and 30 September 2019, respectively. The preparation of this **Annexure 2** is the responsibility of the UCP Directors.

The historical financial information of UCP was audited by PwC for the financial years ended 30 June 2017 and 30 June 2018 and by BDO for the financial year ended 30 June 2019 and was reported on without qualification for all of the aforementioned financial periods.

UCP Shareholders are referred to the complete set of financial results for the aforesaid periods on UCP's website at www.unicorncapital.co.za for a detailed overview of UCP's financial results.

STATEMENT OF FINANCIAL POSITION

at 31 December

	GROUP		
	2019	2018	2017
	R'000	R'000	R'000
Assets			
Non-current assets	366 725	730 303	592 825
Property, plant and equipment	317 763	318 111	338 520
Mining assets	–	338 495	178 028
Goodwill	37 427	37 427	37 427
Restricted investment	–	8 110	6 461
Other financial assets	3 381	4 115	6 121
Deferred income tax assets	8 154	24 045	26 268
Current assets	205 375	204 738	257 904
Inventories	32 270	30 971	18 960
Trade and other receivables	150 855	154 784	202 809
Cash and cash equivalents	22 250	18 983	34 271
Current income tax assets	–	–	1 864
Assets for disposal group classified as held-for-sale	774 466	–	4 937
TOTAL ASSETS	1 346 566	935 041	855 666
Equity			
Total equity attributable to owners of the parent	687 366	256 864	239 938
Share capital	2 122 973	2 122 973	2 122 973
Treasury shares	(25 898)	(25 898)	(25 898)
Reserves	45 553	49 920	81 020
Accumulated loss	(1 455 262)	(1 890 131)	(1 938 157)
Non-controlling interest	(257 461)	(74 695)	(39 934)
TOTAL EQUITY	429 905	182 169	200 004

	GROUP		
	2019	2018	2017
	R'000	R'000	R'000
Liabilities			
Non-current liabilities	73 266	304 814	200 273
Loans and borrowings	8 779	130 684	22 484
Lease obligations	24 176	37 368	49 934
Rehabilitation provision	–	94 580	72 240
Deferred income tax liabilities	40 311	42 182	55 615
Current liabilities	461 836	448 058	455 389
Trade and other payables	158 256	179 056	206 390
Megacube arbitration award	92 331	92 331	92 331
Loans and borrowings	61 848	41 380	–
Related party loans	24 858	–	–
Lease obligations	29 179	30 569	26 227
Deferred revenue	–	–	12 000
Bank overdraft	26 561	42 416	65 305
Current income tax liabilities	68 803	62 306	53 136
Liabilities of disposal group classified as held-for-sale	381 559	–	–
TOTAL LIABILITIES	916 661	752 872	655 662
TOTAL EQUITY AND LIABILITIES	1 346 566	935 041	855 666
Net asset value per share (cents)	59.15	22.11	20.65
Tangible net asset value per share (cents) (excludes goodwill)	55.93	18.88	17.43

INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June

	GROUP		
	2019	Restated 2018	2017
	R'000	R'000	R'000
Revenue	730 171	969 453	1 069 269
Cost of sales	(587 655)	(819 336)	(976 962)
Gross profit	142 516	150 117	92 307
Other income	914	2 406	2 930
Administrative expenses	(109 850)	(89 821)	(110 862)
Profit/(loss) from operations	33 580	62 702	(15 625)
Net (loss)/profit on disposal of assets	(1 276)	985	4 224
Recovery of unaccounted funds	11 000	–	–
Impairment of other receivable	(210)	(2 256)	–
Insurance recovery	643	6 129	–
Gain on bargain purchase	620	–	–
Net impairment of trade receivables	(2 223)	–	–
Net impairment of property, plant and equipment	–	–	(11 535)
Operating (loss)/profit	42 134	67 560	(22 936)
Finance expense	(24 287)	(18 399)	(19 893)
Finance income	1 993	1 588	1 360
Fair value adjustment	–	–	(1 110)
Profit/(loss) before income tax	19 840	50 749	(42 579)
Income tax expense	(9 783)	(1 163)	(6 335)
Profit/(loss) for the period from continuing operations	10 057	49 586	(48 914)
Discontinued operations			
Profit/(loss) for the period from discontinued operations	242 046	(67 521)	(77 620)
Loss on disposal of discontinued operations	–	–	(11 649)
Profit/(loss) for the period	252 103	(17 935)	(138 183)
Attributable to:			
Owners of the parent	161 292	16 826	(120 197)
Continuing operations	12 010	49 586	(30 928)
Discontinued operations	149 282	(32 760)	(89 269)
Non-controlling interest	90 811	(34 761)	(17 986)
Continuing operations	(1 953)	–	(17 986)
Discontinued operations	92 764	(34 761)	–
	252 103	(17 935)	(138 183)
Weighted basic and diluted earnings/(loss) per share (cents)			
Continuing operations	1.03	4.27	(2.66)
Discontinued operations	12.85	(2.82)	(7.68)
Basic and diluted earnings/(loss) per share	13.88	1.45	(10.34)
Shares in issue at end of the period excluding treasury shares ('000)	1 162 010	1 162 010	1 162 010
Weighted average shares in issue at the end of the period excluding treasury shares ('000)	1 162 010	1 162 010	1 162 010

	GROUP		
	2019	Restated	
	R'000	2018	2017
		R'000	R'000
Profit/(loss) for the period	252 103	(17 935)	(138 183)
Other comprehensive income/(loss)			
Items that will be subsequently reclassified to profit or loss			
Foreign currency translation differences for foreign operations	(4 367)	532	(5 274)
Other comprehensive (loss)/income for the period, net of income tax	(4 367)	532	(5 274)
Total comprehensive profit/(loss) for the period	247 736	(17 403)	(143 457)
Attributable to:			
Owners of the parent	156 925	17 358	(125 471)
Continuing operations	7 643	50 118	(36 202)
Discontinued operations	149 282	(32 760)	(89 269)
Non-controlling interest	90 811	(34 761)	(17 986)
Continuing operations	(1 953)	–	(17 986)
Discontinued operations	92 764	(34 761)	–
	247 736	(17 403)	(143 457)

STATEMENT OF CASH FLOWS

for the year ended 30 June

		GROUP	
	2019	Restated	2017
	R'000	2018	R'000
		R'000	R'000
Cash generated from/(utilised in) operating activities	73 777	61 730	(27 190)
Interest paid	(11 450)	(20 247)	(5 629)
Income taxes paid	(10 404)	(4 849)	(17 668)
Net cash flows from operating activities	51 923	36 634	(50 487)
Cash flows (used in)/from investing activities			
Interest received	2 439	1 929	1 375
Proceeds from sales of property, plant and equipment	2 346	24 916	54 579
Purchase of property, plant and equipment	(25 702)	(8 420)	(98 616)
Mine development work in progress	(38 284)	(155 607)	(22 810)
Acquisition of subsidiary, net of cash acquired	1 323	–	–
Proceeds from disposal of non-current assets held-for-sale	–	5 632	97 462
Proceeds from insurance recovery	–	6 129	–
Increase in restricted investment	(1 634)	(1 649)	(3 611)
Increase in investments	–	(432)	–
Cash flows (used in)/from investing activities	(59 512)	(127 502)	28 379
Cash flows from financing activities			
Proceeds from borrowings	75 290	144 646	22 484
Repayment of borrowings	(24 781)	(7 508)	(33 500)
Repayment of finance lease liabilities	(30 356)	(38 653)	(27 124)
Finance lease advances	–	–	79 144
Cash flows from financing activities	20 153	98 485	41 004
Net increase in cash and cash equivalents	12 564	7 617	18 896
Cash and cash equivalents at beginning of the year	(23 433)	(31 034)	(49 120)
Exchange losses on cash and cash equivalents	(392)	(16)	(810)
Cash and cash equivalents at end of the year	(11 261)	(23 433)	(31 034)
Cash and cash equivalents per statement of financial position	(4 311)	(23 433)	(31 034)
Cash and cash equivalents of disposal group held for sale	(6 950)	–	–
Total cash and cash equivalents at the end of the year	(11 261)	(23 433)	(31 034)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June

	GROUP							
	Share capital R'000	Share-based payment reserve R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Accumulated loss R'000	Total R'000	Non- controlling interest R'000	Total equity R'000
Balance at 30 June 2016	2 122 973	31 632	(25 898)	54 662	(1 817 960)	365 409	(21 948)	343 461
Loss for the year	-	-	-	-	(120 197)	(120 197)	(17 986)	(138 183)
Foreign currency translation differences for foreign operations	-	-	-	(5 274)	-	(5 274)	-	(5 274)
Total comprehensive loss for the year	-	-	-	(5 274)	(120 197)	(125 471)	(17 986)	(143 457)
Balance at 30 June 2017	2 122 973	31 632	(25 898)	49 388	(1 938 157)	239 938	(39 934)	200 004
Profit/(loss) for the year	-	-	-	-	16 826	16 826	(34 761)	(17 935)
Foreign currency translation differences for foreign operations	-	-	-	532	-	532	-	532
Total comprehensive profit/(loss) for the year	-	-	-	532	16 826	17 358	(34 761)	(17 403)
Lapsing of BEE option on Unicorn Mining Services Proprietary Limited	-	(31 632)	-	-	31 200	(432)	-	(432)
Balance at 30 June 2018	2 122 973	-	(25 898)	49 920	(1 890 131)	256 864	(74 695)	182 169
Profit for the year	-	-	-	-	161 292	161 292	90 811	252 103
Foreign currency translation differences for foreign operations	-	-	-	(4 367)	-	(4 367)	-	(4 367)
Decrease through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	273 577	273 577	(273 577)	-
Total comprehensive profit/(loss) for the year	-	-	-	(4 367)	434 869	430 502	(182 766)	247 736
Balance at 30 June 2019	2 122 973	-	(25 898)	45 553	(1 455 262)	687 366	(257 461)	429 905

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF UCP FOR THE ROLLING 12-MONTH PERIOD ENDED 31 DECEMBER 2019

The *pro forma* financial information of UCP for the 12-month period ended 31 December 2019 is set out below. The *pro forma* information has been prepared for illustrative purposes only. Due to its nature, the *pro forma* financial information may not fairly present UCP's statement of profit or loss after the implementation of the Scheme. The *pro forma* financial information is presented in a manner that is consistent with the accounting policies of UCP.

The *pro forma* financial information set out below, should be read in conjunction with the report of the Independent Reporting Accountants, which is included as **Annexure 4** to this Circular.

The directors of UCP are responsible for the preparation of the *pro forma* financial information.

INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

	GROUP			Pro forma rolling 12 months ended 31 December 2019 R'000
	Restated Unaudited year ended 30 June 2019 R'000	Unaudited six months 31 December 2019 R'000	Restated Unaudited six months 31 December 2018 R'000	
Revenue	271 301	177 291	100 928	347 664
Cost of sales	(299 283)	(199 099)	(155 712)	(342 670)
Gross profit	(27 982)	(21 808)	(54 784)	4 994
Other income	769	374	523	620
Administrative expenses	(56 302)	(22 109)	(30 446)	(47 965)
(Loss)/profit from operations	(83 515)	(43 543)	(84 707)	(42 351)
Net profit on disposal of assets	–	86	–	86
Amortisation of mineral right	(1 490)	(5 783)	(2 210)	(5 063)
Recovery of unaccounted funds	11 000	2 964	11 000	2 964
Impairment of other receivable	(210)	–	(750)	540
Reversal of impairment of other receivable	–	1 836	–	1 836
Net impairment of trade receivables	(20)	–	–	(20)
Net impairment of plant	(10 033)	–	10 000	(20 033)
Reversal of impairment of mineral right	345 374	–	345 374	–
Operating profit/(loss)	261 106	(44 440)	278 707	(62 041)
Finance expense	(45 885)	(27 743)	(28 081)	(45 547)
Finance income	505	23	76	452
Profit/(loss) before income tax	215 726	(72 160)	250 702	(107 136)
Income tax expense	(207)	47	–	(160)
Profit/(loss) for the period from continuing operations	215 519	(72 113)	250 702	(107 296)
Discontinued operations				
Profit/(loss) for the period from discontinued operations	36 584	(22 842)	48 703	(34 961)
Profit/(loss) for the period	252 103	(94 955)	299 405	(142 257)

	GROUP			Pro forma rolling 12 months ended 31 December 2019 R'000
	Restated Unaudited year ended 30 June 2019 R'000	Unaudited six months 31 December 2019 R'000	Restated Unaudited six months 31 December 2018 R'000	
Attributable to:				
Owners of the parent	161 292	(81 135)	196 036	(115 879)
Continuing operations	125 852	(55 699)	147 333	(77 180)
Discontinued operations	35 440	(25 436)	48 703	(38 699)
Non-controlling interest	90 811	(13 820)	103 369	(26 378)
Continuing operations	89 667	(16 414)	103 369	(30 116)
Discontinued operations	1 144	2 594	–	3 738
	252 103	(94 955)	299 405	(142 257)
Weighted basic and diluted earnings/(loss) per share (cents)				
Continuing operations	10.83	(4.79)	12.68	(6.64)
Discontinued operations	3.05	(2.19)	4.19	(3.33)
Basic and diluted earnings/(loss) per share	13.88	(6.98)	16.87	(9.97)
Shares in issue at end of the period excluding treasury shares ('000)	1 162 010	1 162 010	1 162 010	1 162 010
Weighted average shares in issue at the end of the period excluding treasury shares ('000)	1 162 010	1 162 010	1 162 010	1 162 010
Profit/(loss) for the period	252 103	(94 955)	299 405	(142 257)
Other comprehensive income/(loss)				
Items that will be subsequently reclassified to profit or loss				
Foreign currency translation differences for foreign operations	(4 367)	625	(656)	(3 086)
Other comprehensive (loss)/income for the period, net of income tax	(4 367)	625	(656)	(3 086)
Total comprehensive profit/(loss) for the period	247 736	(94 330)	298 749	(145 343)
Attributable to:				
Owners of the parent	156 925	(80 510)	195 380	(118 965)
Continuing operations	121 485	(55 074)	146 677	(80 266)
Discontinued operations	35 440	(25 436)	48 703	(38 699)
Non-controlling interest	90 811	(13 820)	103 369	(26 378)
Continuing operations	89 667	(16 414)	103 369	(30 116)
Discontinued operations	1 144	2 594	–	3 738
	247 736	(94 330)	298 749	(145 343)

HEADLINE EARNINGS RECONCILIATION

	GROUP			Pro forma rolling 12 months ended 31 December 2019 R'000
	Restated Unaudited year ended 30 June 2019 R'000	Unaudited six months 31 December 2019 R'000	Restated Unaudited six months 31 December 2018 R'000	
<i>Continuing operations</i>				
Net profit/(loss) for the year attributable to the equity holders of the parent:	125 852	(55 699)	147 333	(77 180)
Net profit on disposal of plant and equipment	–	(86)	–	(86)
Impairment of stripping asset held-for-sale	20 033	–	–	20 033
Reversal of impairment of mineral right	(345 374)	–	(345 374)	–
Reversal of impairment of plant	(10 000)	–	(10 000)	–
Total non-controlling interest effects of adjustments	134 136	–	142 149	(8 013)
Earnings used in the calculation of headline earnings per share	(75 353)	(55 785)	(65 892)	(65 246)
<i>Weighted headline and diluted headline loss per share (cents)</i>	<i>(6.48)</i>	<i>(4.80)</i>	<i>(5.67)</i>	<i>(5.61)</i>
<i>Discontinuing operations</i>				
Net profit/(loss) for the year attributable to the equity holders of the parent:	35 440	(25 436)	48 703	(38 699)
Impairment of goodwill	–	19 687	–	19 687
Net (loss)/profit on disposal of plant and equipment	1 276	(239)	(240)	1 277
Compensation from third parties for items of plant and equipment that were destroyed	(643)	(1 111)	–	(1 754)
Scrapping of assets	1 466	893	–	2 359
Gain on bargain purchase	(620)	–	–	(620)
<i>Tax effect on the above adjustments</i>	<i>(59)</i>	<i>(9)</i>	–	<i>(68)</i>
Total non-controlling interest effects of adjustments	142	(9 347)	–	(9 205)
Earnings used in the calculation of headline earnings per share	37 002	(15 562)	48 463	(27 023)
<i>Weighted headline and diluted headline earnings/(loss) per share (cents)</i>	<i>3.18</i>	<i>(1.34)</i>	<i>4.17</i>	<i>(2.33)</i>
<i>Group</i>				
Net profit/(loss) for the year attributable to the equity holders of the parent:	161 292	(81 135)	196 036	(115 879)
Impairment of goodwill	–	19 687	–	19 687
Net (loss)/profit on disposal of plant and equipment	1 276	(325)	(240)	1 191
Compensation from third parties for items of plant and equipment that were destroyed	(643)	(1 111)	–	(1 754)
Scrapping of assets	1 466	893	–	2 359
Gain on bargain purchase	(620)	–	–	(620)
<i>Tax effect on the above adjustments</i>	<i>(59)</i>	<i>(9)</i>	–	<i>(68)</i>
Impairment of stripping asset held-for-sale	20 033	–	–	20 033
Reversal of impairment of mineral right	(345 374)	–	(345 374)	–
Reversal of impairment of plant	(10 000)	–	(10 000)	–
Total non-controlling interest effects of adjustments	134 278	(9 347)	142 149	(17 218)

	GROUP			Pro forma rolling 12 months ended 31 December 2019 R'000
	Restated Unaudited year ended 30 June 2019 R'000	Unaudited six months 31 December 2019 R'000	Restated Unaudited six months 31 December 2018 R'000	
Earnings used in the calculation of headline earnings per share	(38 351)	(71 347)	(17 429)	(92 269)
<i>Weighted headline and diluted headline loss per share (cents)</i>	(3.30)	(6.14)	(1.50)	(7.94)
<i>Weighted headline and diluted headline loss per share (cents)</i>				
Continuing operations	(6.48)	(4.80)	(5.67)	(5.61)
Discontinuing operations	3.18	(1.34)	4.17	(2.33)
Group	(3.30)	(6.14)	(1.50)	(7.94)
<i>Weighted basic and diluted earnings/(loss) per share (cents)</i>				
Continuing operations	10.83	(4.79)	12.68	(6.64)
Discontinuing operations	3.05	(2.19)	4.19	(3.33)
Group	13.88	(6.98)	16.87	(9.97)

Notes and assumptions:

1. The *pro forma* rolling 12 months ended 31 December 2019 column was constituted from the first three columns, thus representing UCP's unaudited results for the 12-month period ended 31 December 2019

INDEPENDENT REPORTING ACCOUNTANT TO UCP'S REPORT ON THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF UCP FOR THE ROLLING 12-MONTH PERIOD ENDED 31 DECEMBER 2019



The Directors
Unicorn Capital Partners Limited
First Floor, Building 8
Inanda Greens Office Park
Wierda Road West, Wierda Valley
Sandton
2196

3 September 2020

Dear Sir/Madam

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE ROLLING 12-MONTH CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF UNICORN CAPITAL PARTNERS LIMITED

We have completed our assurance engagement to report on the condensed consolidated statement of profit or loss of Unicorn Capital Partners Limited (“UCP” or “the Company”) for the rolling 12-month period ended 31 December 2019 (the “**Rolling 12-month Financial Information**”), as set out in **Annexure 3** of the circular to be issued on or about Wednesday, 9 September 2020 (“**the Circular**”). The applicable criteria on the basis of which the directors have compiled the financial information are specified in the JSE Listing Requirements and described in **Annexure 3**.

As part of this process, information about the Company's financial performance has been extracted by the directors from the Company's financial information for:

- Unaudited restated published financial information for the year-ended 30 June 2019;
- Unaudited published financial information for the six-month period ended 31 December 2019; and
- Unaudited restated published financial information for the six-month period ended 31 December 2018.

Directors' responsibility for the financial information

The directors of the Company are responsible for compilation, contents and presentation of the Rolling 12-month Financial Information on the basis of the applicable criteria specified in the JSE Listing Requirements and described in **Annexure 3** of the Circular and as described in the notes to the Rolling 12-month Financial Information. The directors of the Company are also responsible for the financial information from which it has been prepared.

Our independence and quality control

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

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the Rolling 12-month Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listing Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Rolling 12-month Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Rolling 12-month Financial Information.

The Rolling 12-month Financial Information was compiled for inclusion in the relevant column in the *pro forma* financial information included in the Circular. Accordingly we do not provide any assurance as to the *pro forma* financial information as a whole other than the Rolling 12-month Financial Information included therein. Accordingly we do not provide any assurance as to the *pro forma* financial information or that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the financial information has been compiled, in all material respects, on the basis of the applicable criteria and involves performing procedures to assess whether the applicable criteria used in the compilation of the financial information provides a reasonable basis for presenting the Rolling 12-Month Financial Information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the Rolling 12-month Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Rolling 12-month Financial Information.

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

Opinion

In our opinion, the Rolling 12-month Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listing Requirements and described in **Annexure 3** of the Circular.

Consent

This report on the Rolling 12-month Financial Information is included solely for the information of the Shareholders. We consent to the inclusion of our report on the Rolling 12-month Financial Information and the references thereto, in the form and context in which they appear.

Yours faithfully

BDO South Africa Incorporated

Chartered Accountants (SA)

Registered Auditors

per N Lazanakis

Chartered Accountant (SA)

Registered Auditor

JSE Reporting Accountant Specialist

52 Corlett Drive, Illovo, 2196

EXTRACTS FROM THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF AFRIMAT FOR THE FINANCIAL YEARS ENDED 29 FEBRUARY 2020, 28 FEBRUARY 2019 AND 28 FEBRUARY 2018

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flow and notes of Afrimat for the financial years ended 28 February 2018, 28 February 2019 and 29 February 2020, have been extracted and compiled from the audited consolidated annual financial statements of Afrimat. Aforementioned consolidated annual financial statements were compiled by PGS de Wit CA(SA) and were approved by the Afrimat Directors on 22 June 2018, 18 June 2019 and 20 May 2020, respectively. The preparation of this **Annexure 5** is the responsibility of the Afrimat Directors.

The historical financial information of Afrimat was audited by PwC for the financial years ended 28 February 2018, 28 February 2019 and 29 February 2020 and was reported on without qualification for all of the aforementioned financial periods.

Afrimat Shareholders are referred to the complete set of financial results for the aforesaid periods on Afrimat's website at www.afrimat.co.za for a detailed overview of Afrimat's financial results.

STATEMENTS OF FINANCIAL POSITION at 29 February

	GROUP		
	2020	2019	Restated
	R'000	R'000	2018 R'000
Assets			
Non-current assets			
Property, plant and equipment	1 571 519	1 469 837	1 417 845
Investment property	3 040	3 040	3 040
Intangible assets	210 226	221 873	243 970
Investment in associates and joint venture	16 420	164	183
Other financial assets	53 015	56 698	59 446
Deferred tax	31 870	33 680	55 115
Total non-current assets	1 886 090	1 785 292	1 779 599
Current assets			
Inventories	260 526	261 249	242 124
Current tax receivable	4 757	13 250	9 181
Trade and other receivables	476 356	435 458	391 603
Cash and cash equivalents	167 533	191 763	112 208
Total current assets	909 172	901 720	755 116
Total assets	2 795 262	2 687 012	2 534 715
Equity and liabilities			
Equity			
Stated capital	245 988	258 292	266 985
Treasury shares	(108 365)	(85 822)	(59 660)
Net issued stated capital	137 623	172 470	207 325
Other reserves	(90 382)	(94 391)	(99 900)
Retained earnings	1 634 537	1 320 087	1 111 915

	GROUP		
	2020	2019	Restated
	R'000	R'000	2018
			R'000
Attributable to equity holders of the parent	1 681 778	1 398 166	1 219 340
Non-controlling interests	7 129	11 351	9 980
Total equity	1 688 907	1 409 517	1 229 320
Liabilities			
Non-current liabilities			
Borrowings	138 761	235 542	271 954
Provisions	152 748	141 080	130 288
Deferred tax	215 943	214 576	207 583
Total non-current liabilities	507 452	591 198	609 825
Current liabilities			
Other financial liabilities	9 631	9 480	21 856
Borrowings	157 071	148 004	165 004
Current tax payable	11 109	4 143	11 485
Trade and other payables	421 072	390 517	407 022
Bank overdraft	20	134 153	90 203
Total current liabilities	598 903	686 297	695 570
Total liabilities	1 106 355	1 277 495	1 305 395
Total equity and liabilities	2 795 262	2 687 012	2 534 715

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February

	GROUP		
	2020	2019	Restated
	R'000	R'000	2018
			R'000
Revenue	3 304 376	2 966 399	2 380 994
Cost of sales	(2 239 352)	(2 043 234)	(1 623 629)
Gross profit	1 065 024	923 165	757 365
Operating expenses	(478 400)	(451 497)	(406 205)
Other income	13 035	12 189	–
Other net gains and losses	8 657	4 225	–
Profit on disposal of property, plant and equipment	2 788	3 538	638
Impairment of property, plant and equipment	–	–	(1 399)
Impairment of goodwill	(10 152)	(20 468)	–
Operating profit	600 952	471 152	350 399
Finance income	18 179	14 771	32 930
Finance costs	(46 161)	(66 706)	(59 432)
Share of profit/(loss) of equity accounted investments	300	2 326	(8)
Profit before tax	573 270	421 543	323 889
Income tax expense	(108 094)	(117 328)	(78 511)
Profit for the year	465 176	304 215	245 378
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets	–	–	183
Exchange differences on translation of foreign operations	(3 586)	(1 430)	961
Income tax effect relating to these items	–	–	(41)
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments at fair value through other comprehensive income	88	35	–
Income tax effect relating to these items	(17)	(8)	–
Other comprehensive income for the year, net of tax	(3 515)	(1 403)	1 103
Total comprehensive income for the year	461 661	302 812	246 481
Profit attributable to:			
Owners of the parent	462 512	301 363	245 668
Non-controlling interests	2 664	2 852	(290)
	465 176	304 215	245 378
Total comprehensive income attributable to:			
Owners of the parent	458 997	299 960	246 771
Non-controlling interests	2 664	2 852	(290)
	461 661	302 812	246 481
Earnings per ordinary share (cents)	341.6	221.0	180.3
Diluted earnings per ordinary share (cents)	337.7	219.5	179.0

STATEMENTS OF CASH FLOWS

for the year ended 29 February

	2020	GROUP	
	R'000	2019	2018
		R'000	R'000
Cash flows from operating activities			
Cash generated from operations	781 573	551 722	344 542
Finance income received	17 829	14 320	31 623
Dividends received	64	58	54
Finance costs paid	(37 305)	(58 565)	(52 752)
Tax paid	(85 351)	(97 051)	(122 507)
Net cash inflow from operating activities	676 810	410 484	200 960
Cash flows from investing activities			
Acquisition of property, plant and equipment	(154 245)	(93 889)	(118 918)
Proceeds on disposal of property, plant and equipment	34 320	14 369	22 975
Purchase of financial assets	(369)	(444)	(68 060)
Acquisition of businesses and investments	–	–	4 228
Acquisition of share in associate	(16 020)	–	–
Repayments from other financial assets	6 390	–	–
Net cash outflow from investing activities	(129 924)	(79 964)	(159 775)
Cash flows from financing activities			
Repurchase of Afrimat shares	(28 815)	(30 981)	(13 552)
Proceeds from borrowings	54 908	144 635	300 000
Repayment of borrowings	(305 050)	(309 847)	(119 871)
Capital elements of lease payments	(8 191)	–	–
Repayments from other financial liabilities	(1 212)	(3 488)	(25 143)
Acquisition of additional non-controlling interest	(10 854)	(9 014)	(37 521)
Dividends paid	(137 769)	(86 220)	(96 240)
Net cash (outflow)/inflow from financing activities	(436 983)	(294 915)	7 673
Net increase in cash, cash equivalents and bank overdrafts	109 903	35 605	48 858
Cash, cash equivalents and bank overdrafts at the beginning of the year	57 610	22 005	(26 853)
Cash, cash equivalents and bank overdrafts at the end of the year	167 513	57 610	22 005

STATEMENTS OF CHANGES IN EQUITY
for the year ended 29 February

	GROUP					
	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 March 2017	285 842	(70 999)	(101 263)	1 085 792	7 547	1 206 919
Total comprehensive income						
Profit for the year	–	–	–	245 668	(290)	245 378
Other comprehensive income for the year	–	–	1 103	–	–	1 103
Net change in fair value of available-for-sale financial assets	–	–	183	–	–	183
Income tax effect	–	–	(41)	–	–	(41)
Currency translation differences	–	–	961	–	–	961
Income tax effect	–	–	–	–	–	–
Total comprehensive income	–	–	1 103	245 668	(290)	246 481
Transactions with owners of the parent						
Contributions and distributions						
Share-based payments	–	–	5 456	–	–	5 456
Purchase of treasury shares	–	(13 552)	–	–	–	(13 552)
Settlement of employee Share Appreciation Rights exercised and reserve transfer, net of tax	(20 357)	11 391	(5 196)	5 196	–	(8 966)
Dividends paid	–	–	–	(95 600)	(640)	(96 240)
Total contributions and distributions	(20 357)	(2 161)	260	(90 404)	(640)	(113 302)
Changes in ownership interests						
Initial non-controlling interest acquired	–	–	–	–	(64 257)	(64 257)
Additional non-controlling interest acquired due to:						
– Infrasers	–	–	–	(104)	83	(21)
– Afrimat Bulk Commodities	1 500	13 500	–	(19 268)	1 768	(2 500)
– Demaneng	–	–	–	(109 769)	65 769	(44 000)
Total changes in ownership interests	1 500	13 500	–	(129 141)	3 363	(110 778)
Total transactions with owners of the parent	(18 857)	11 339	260	(219 545)	2 723	(224 080)

GROUP

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Balance at 28 February 2018 as originally presented	266 985	(59 660)	(99 900)	1 111 915	9 980	1 229 320
Change in accounting policy	-	-	-	(10 812)	-	(10 812)
Restated balance at 1 March 2018	266 985	(59 660)	(99 900)	1 101 103	9 980	1 218 508
Total comprehensive income	-	-	-	301 363	2 852	304 215
Profit for the year	-	-	(1 403)	-	-	(1 403)
Other comprehensive income for the year	-	-	-	-	-	-
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	35	-	-	35
Income tax effect	-	-	(8)	-	-	(8)
Currency translation differences	-	-	(1 430)	-	-	(1 430)
Income tax effect	-	-	-	-	-	-
Total comprehensive income	-	-	(1 403)	301 363	2 852	302 812
Transactions with owners of the parent						
Contributions and distributions						
Share-based payments	-	-	7 247	-	-	7 247
Deferred tax on share-based payments	-	-	2 039	-	-	2 039
Purchase of treasury shares	-	(30 981)	-	-	-	(30 981)
Settlement of employee Share Appreciation Rights exercised and reserve transfer, net of tax	(8 693)	4 819	(2 374)	2 374	-	(3 874)
Dividends paid	-	-	-	(84 745)	(1 475)	(86 220)
Total contributions and distributions	(8 693)	(26 162)	6 912	(82 371)	(1 475)	(111 789)
Changes in ownership interests						
Additional non-controlling interest acquired due to:						
- Infrasers	-	-	-	(8)	(6)	(14)
Total changes in ownership interests	-	-	-	(8)	(6)	(14)
Total transactions with owners of the parent	(8 693)	(26 162)	6 912	(82 379)	(1 481)	(111 803)
Balance at 28 February 2019 as originally presented	258 292	(85 822)	(94 391)	1 320 087	11 351	1 409 517
Impact of IFRS 16 adoption on retained earnings	-	-	-	(12 958)	-	(12 958)

GROUP

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Restated balance at 1 March 2019	258 292	(85 822)	(94 391)	1 307 129	11 351	1 396 559
Total comprehensive income						
Profit for the year	-	-	-	462 512	2 664	465 176
Other comprehensive income for the year	-	-	(3 515)	-	-	(3 515)
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	88	-	-	88
Income tax effect	-	-	(17)	-	-	(17)
Currency translation differences	-	-	(3 586)	-	-	(3 586)
Income tax effect	-	-	-	-	-	-
Total comprehensive income	-	-	(3 515)	462 512	2 664	461 661
Transactions with owners of the parent						
Contributions and distributions						
Share-based payments	-	-	15 074	-	-	15 074
Deferred tax on share-based payments	-	-	(917)	-	-	(917)
Purchase of treasury shares	-	(28 815)	-	-	-	(28 815)
Settlement of employee Share Appreciation Rights exercised and reserve transfer, net of tax	(12 304)	6 272	(6 633)	6 633	-	(6 032)
Dividends paid	-	-	-	(136 051)	(1 718)	(137 769)
Total contributions and distributions	(12 304)	(22 543)	7 524	(129 418)	(1 718)	(158 459)
Changes in ownership interests						
Additional non-controlling interest acquired due to:						
- Afrimat Logistics Limitada	-	-	-	-	12	12
- Infradors	-	-	-	(5 686)	(5 180)	(10 866)
Total changes in ownership interests	-	-	-	(5 686)	(5 168)	(10 854)
Total transactions with owners of the parent	(12 304)	(22 543)	7 524	(135 104)	(6 886)	(169 313)
Balance at 29 February 2020	245 988	(108 365)	(90 382)	1 634 537	7 129	1 688 907

	Afrimat audited UCP unaudited results for the year ended 29 February 2020 ¹	results for the period ended 31 December 2019 ²	UCP post-balance sheet adjustment ³	UCP total – prior to the Scheme ⁴	Reclassifications ⁵	Acquisition of UCP ⁶	Other Pro forma adjustments ⁷ of the Scheme ⁸	Pro forma implementation of the Scheme ⁸
R'000								
Right-of-use assets	–	2 705	–	2 705	(2 705)	–	–	–
Mining assets	–	214 439	–	214 439	(214 439)	–	–	–
Mineral rights	–	338 101	–	338 101	(338 101)	–	–	–
Restricted cash	–	8 033	–	8 033	(8 033)	–	–	–
Total non-current assets	1 886 090	706 273	–	706 273	–	(13 266)	–	2 579 097
Current assets								
Inventories	260 526	5 442	–	5 442	–	–	–	265 968
Current tax receivable	4 757	–	–	–	–	–	–	4 757
Trade and other receivables	476 356	13 678	–	13 678	–	–	(17 695) ^{7,1}	472 339
Cash and cash equivalents	167 533	1 538	–	1 538	–	–	(1 200) ^{7,2}	167 871
Total current assets	909 172	20 658	–	20 658	–	–	(18 895)	910 935
Assets for disposal group classified as held-for-sale	–	545 242	–	545 242	–	–	–	545 242
TOTAL ASSETS	2 795 262	1 272 173	–	1 272 173	–	(13 266)	(18 895)	4 035 274
EQUITY AND LIABILITIES								
EQUITY								
Stated capital	245 988	2 122 973	–	2 122 973	–	(2 029 575) ^{6,5,6,6}	–	339 386
Treasury shares	(108 365)	(25 898)	–	(25 898)	–	25 898 ^{6,6}	–	(108 365)
Attributable to equity holders of the parent	1 681 778	606 590	92 331	698 921	–	(589 701)	(1 200)	1 789 798
Net issued stated capital	137 623	2 097 075	–	2 097 075	–	(2 003 677)	–	231 021
Other reserves	(90 382)	46 178	–	46 178	–	(46 178)	–	(90 382)
Retained earnings	1 634 537	(1 536 663)	92 331	(1 444 332)	–	1 460 154 ^{6,3, 6,6}	(1 200) ^{7,2}	1 649 159
Non-controlling interests	7 129	(271 281)	–	(271 281)	–	481 767 ^{6,6,7}	–	217 615
TOTAL EQUITY	1 688 907	335 309	92 331	427 640	–	(107 934)	(1 200)	2 007 413

		Afrimat audited UCP unaudited results for the period ended						
		29 February 2020 ¹	31 December 2019 ²	UCP post-balance sheet adjustment ³	UCP total – prior to the Scheme ⁴	Reclassifications ⁵	Acquisition of UCP ⁶	Other Pro forma adjustments ⁷ of the Scheme ⁸
R'000								
Liabilities								
Non-current liabilities								
Borrowings		138 761	113 245	–	113 245	4 357	–	256 363
Provisions		152 748	88 231	–	88 231	–	–	240 979
Deferred tax		215 943	3 115	–	3 115	–	94 668 ⁸	313 726
Lease obligations		–	4 357	–	4 357	(4 357)	–	–
Total non-current liabilities		507 452	208 948	–	208 948	–	94 668	811 068
Current liabilities								
Borrowings		157 071	133 684	–	133 684	2 535	–	293 290
Other financial liabilities		9 631	–	–	–	–	–	9 631
Current tax payable		11 109	7 244	–	7 244	–	–	18 353
Trade and other payables		421 072	115 563	–	115 563	–	–	536 635
Bank overdraft		20	8 178	–	8 178	–	–	8 198
Megacube arbitration award		–	92 331	(92 331)	–	–	–	–
Related party loans		–	28 021	–	28 021	–	–	10 326
Lease obligations		–	2 535	–	2 535	(2 535)	–	–
Total current liabilities		598 903	387 556	(92 331)	295 225	–	(17 695)	876 433
Liabilities of disposal group classified as held-for-sale		–	340 360	–	340 360	–	–	340 360
Total liabilities		1 106 355	936 864	(92 331)	844 533	–	94 668	2 027 861
TOTAL EQUITY AND LIABILITIES		2 795 262	1 272 173	–	1 272 173	–	(13 266)	4 035 274
Net asset value per share (cents)		1 246	52					1 297
Tangible net asset value per share (cents) ⁹		1 090	33					1 123
Number of shares in issue		135 022 447	1 162 010 000			3 012 831		138 035 278

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated annual financial statements of Afrimat for the year ended 29 February 2020.
2. Extracted, without adjustment, from the unaudited consolidated interim statement of financial position of UCP as at 31 December 2019.
3. As per the UCP SENS announcement of 19 May 2020 Megacube Mining Proprietary Limited (“Megacube”), a wholly owned subsidiary of UCP, and Keaton Mining Proprietary Limited (“Keaton”) entered into a settlement agreement. This settlement resulted in Megacube and Keaton withdrawing their respective claims against one another. Included in UCP’s consolidated interim financial statements for the period ended 31 December 2019, the Company provided for a liability of R92 million relating to this matter. This provision is being released in full as a material adjustment to this *pro forma* financial information.
4. Adjusted unaudited consolidated interim statement of financial position of UCP as at 31 December 2019.
5. *Pro forma* adjustments to the results of UCP in terms of classification in accordance with the accounting policies and presentation of Afrimat.
6. *Pro forma* remeasurement of pre-acquisition interest of Afrimat in UCP in accordance with IFRS 3 paras 41 – 42 and further *pro forma* adjustments relating to the acquisition of UCP as per Scheme as set out in this Circular.
 - 6.1. Representing the partial derecognition of UCP’s mining asset to the value of R27.1 million. Expenditure originally capitalised in terms of the underground operation subsequently derecognised due to the fall of ground event occurring in early October 2019.
 - 6.2. Resultant goodwill from this acquisition. Goodwill was determined as the consideration paid, plus the fair value of shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of UCP.
 - 6.3. Afrimat held 27.27% of the share capital of UCP prior to this transaction. Based on a fair value of 10 cents, as at 13 July 2020 per UCP share, the fair value of the associate was deemed to be R31.8 million, resulting in a R15.8 million gain recognised in profit and loss.
 - 6.4. Representing the previous equity interest of Afrimat in UCP at fair value as at 13 July 2020.
 - 6.5. Representing the purchase consideration of the acquisition of the remaining shareholding of UCP being 3 012 831 Afrimat shares, at fair value which was assumed, for purposes of the *pro forma* financial information, to be the Afrimat closing price on 13 July 2020 of R31 per share.
 - 6.6. Elimination of opening equity position of UCP.
 - 6.7. Proportionate share of assets and liabilities attributable to the non-controlling interests.
 - 6.8. Deferred tax at the prevailing tax rate on the mining asset recognised as part of this acquisition. Reliance was placed on the fair value as determined by the Nkomati Anthracite Proprietary Limited Competent Person’s Report (“CPR”). An enterprise value of R333 million was placed on the resource including inferred resources.
7. Other *pro forma* adjustments representing:
 - 7.1. Elimination of the loan between Afrimat and UCP.
 - 7.2. Transaction costs of R1.2 million (excluding value-added tax) assumed to be paid from cash and cash equivalents.
8. *Pro forma* consolidated statement of financial position after incorporating the adjustments for the acquisition of UCP set out above.
9. Tangible net asset value is the net asset value attributable to equity holders of the parent less the value of goodwill.

General

Throughout the *pro forma*s an income tax rate of 28% has been assumed.

PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2020

R'000	Afrimat audited results for the year ended 29 February 2020 ¹	UCP reviewed rolling results for the 12 months ended 31 December 2019 ²	Acquisition of UCP ³	Pro forma adjustments ⁴	Pro forma after implementation of the Scheme ⁵
Revenue	3 304 376	347 664	–	–	3 652 040
Cost of sales	(2 239 352)	(342 670)	–	–	(2 582 022)
Gross profit	1 065 024	4 994	–	–	1 070 018
Operating expenses	(478 400)	(47 965)	–	(1 200) ^{4.1}	(527 565)
Other income	13 035	620	–	–	13 655
Other net gains and losses	8 657	(2 099)	15 822 ^{3.1}	–	22 380
Profit on disposal of property, plant and equipment	2 788	86	–	–	2 874
Impairments	(10 152)	(17 677)	–	–	(27 829)
Operating profit/(loss)	600 952	(62 041)	15 822	(1 200)	553 533
Finance income	18 179	452	–	(195) ^{4.2}	18 436
Finance costs	(46 161)	(45 547)	–	195 ^{4.2}	(91 513)
Share of profit of equity-accounted investments	300	–	–	–	300
Profit/(loss) before tax	573 270	(107 136)	15 822	(1 200)	480 756
Income tax expense	(108 094)	(160)	–	1 417 ^{4.3}	(106 837)
Profit/(loss) for the period from continuing operations	465 176	(107 296)	15 822	217	373 919
Discontinued operations					
Loss for the period from discontinued operations	–	(34 961)	–	–	(34 961)
Profit/(loss) for the year	465 176	(142 257)	15 822	217	338 958
Profit attributable to:					
Owners of the parent	462 512	(115 879)	15 822	217	362 672
<i>Continuing operations</i>	462 512	(77 180)	15 822	217	401 371
<i>Discontinued operations</i>	–	(38 699)	–	–	(38 699)
Non-controlling interests	2 664	(26 378)	–	–	(23 714)
<i>Continuing operations</i>	2 664	(30 116)	–	–	(27 452)
<i>Discontinued operations</i>	–	3 738	–	–	3 738
	465 176	(142 257)	15 822	217	338 958
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign entities	(3 586)	(3 086)	–	–	(6 672)

R'000	Afrimat audited results for the year ended 29 February 2020 ¹	UCP reviewed rolling results for the 12 months ended 31 December 2019 ²	Acquisition of UCP ³	Pro forma adjustments ⁴	Pro forma after imple- mentation of the Scheme ⁵
Income tax effect relating to these items	–	–	–	–	–
Items that will not be reclassified to profit or loss					
Net change in fair value of equity instruments at fair value through other comprehensive income	88	–	–	–	88
Income tax effect relating to these items	(17)	–	–	–	(17)
Other comprehensive income for the year, net of tax	(3 515)	(3 086)	–	–	(6 601)
Total comprehensive income/(loss) for the year	461 661	(145 343)	15 822	217	332 357
Total comprehensive income/(loss) attributable to:					
Owners of the parent	458 997	(118 965)	15 822	217	356 071
<i>Continuing operations</i>	458 997	(80 266)	15 822	217	394 770
<i>Discontinued operations</i>	–	(38 699)	–	–	(38 699)
Non-controlling interests	2 664	(26 378)	–	–	(23 714)
<i>Continuing operations</i>	2 664	(30 116)	–	–	(27 452)
<i>Discontinued operations</i>	–	3 738	–	–	3 738
	461 661	(145 343)	15 822	217	332 357
Earnings per share:					
Earnings per ordinary share (cents)					
<i>Continuing operations</i>	341.6	(6.6)	525.1	7.2	290.0
<i>Discontinued operations</i>	–	(3.3)	–	–	(28.0)
Diluted earnings per ordinary share (cents)					
<i>Continuing operations</i>	337.7	(6.6)	525.1	7.2	286.7
<i>Discontinued operations</i>	–	(3.3)	–	–	(27.6)
Note to statement of profit or loss and other comprehensive income					
Shares in issue:					
Total shares in issue	143 262 412	1 167 564 491	3 012 831	3 012 831	146 275 243
Treasury shares	(8 239 965)	(5 553 871)	–	–	(8 239 965)
Net shares in issue	135 022 447	1 162 010 620	3 012 831	3 012 831	138 035 278

R'000	Afrimat audited results for the year ended 29 February 2020¹	UCP reviewed rolling results for the 12 months ended 31 December 2019²	Acquisition of UCP³	Pro forma adjustments⁴	Pro forma after implementation of the Scheme⁵
Weighted average number of net shares in issue	135 379 713	1 162 010 491	3 012 831	3 012 831	138 392 544
Diluted weighted average number of shares	136 965 803	1 162 010 491	3 012 831	3 012 831	139 978 634
Reconciliation of headline earnings:					
<i>Continuing operations</i>					
Profit/(loss) attributable to owners of the parent	462 512	(77 180)	15 822	217	401 371
Profit on disposal of plant and equipment attributable to owners of the parent	(2 788)	(86)	–	–	(2 874)
Re-measurement of investment in associate	–	–	(15 822)	–	(15 822)
Impairment of goodwill/plant and equipment	10 152	20 033	–	–	30 185
Total non-controlling interest effects of adjustments	–	(8 013)	–	–	(8 013)
Total income tax effects of adjustments	781	–	–	–	781
	470 657	(65 246)	–	217	405 628
<i>Discontinued operations</i>					
Profit attributable to owners of the parent	–	(38 699)	–	–	(38 699)
Impairment of goodwill	–	19 687	–	–	19 687
Net profit on disposal of plant and equipment	–	1 277	–	–	1 277
Compensation from third parties for items of plant and equipment that were destroyed	–	(1 754)	–	–	(1 754)
Scrapping of assets	–	2 359	–	–	2 359
Gain on bargain purchase	–	(620)	–	–	(620)
Total non-controlling interest effects of adjustments	–	(68)	–	–	(68)
Total income tax effects of adjustments	–	(9 205)	–	–	(9 205)
	–	(27 023)	–	–	(27 023)
Headline earnings per ordinary share (cents)	347.7				273.60
<i>Continuing operations</i>	347.7	(5.6)	–	7.2	293.1
<i>Discontinued operations</i>	–	(2.3)	–	–	(19.5)
Diluted headline earnings per share (cents)	343.6				270.50
<i>Continuing operations</i>	343.6	(5.6)	–	7.2	289.8
<i>Discontinued operations</i>	–	(2.3)	–	–	(19.3)

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated annual financial statements of Afrimat for the year ended 29 February 2020.
2. Extracted from the reviewed condensed consolidated statement of profit or loss and other comprehensive income of UCP for the rolling 12-month period ended 31 December 2019 as set out in **Annexure 3**.
3. Remeasurement of pre-acquisition interest of Afrimat in UCP in accordance with IFRS 3 paras 41 – 42.
 - 3.1. Afrimat held 27.27% of the share capital of UCP prior to this transaction. Based on a fair value of 10 cents, as at 13 July 2020, per UCP share, the fair value of the associate was deemed to be R31.8 million, resulting in a R15.8 million gain recognised in profit and loss. Refer to note 6.3 to the statement of financial position.
4. Other *pro forma* adjustments representing:
 - 4.1. Transaction costs of R1.2 million (excluding value added tax) assumed to be paid from cash and cash equivalents.
 - 4.2. Elimination of intergroup interest on loan between Afrimat and UCP.
 - 4.3. Release of deferred tax liability on amortisation of mining asset.
5. *Pro forma* consolidated statement of profit or loss and other comprehensive income after incorporating the adjustments for the acquisition of UCP set out above.

General

Throughout the *pro forma*'s an income tax rate of 28% has been assumed.

All adjustments, except for the once-off transaction costs, are expected to have a continuing effect on the statement of profit or loss and other comprehensive income.

INDEPENDENT REPORTING ACCOUNTANT TO AFRIMAT'S REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF AFRIMAT



To the Directors of Afrimat Limited

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in a Circular

We have completed our assurance engagement to report on the compilation of the *Pro Forma* Financial Information of Afrimat Limited (“Afrimat” or the “Company”) by the directors presented in a combined Afrimat and Unicorn Capital Partners Limited (“UCP”) circular to UCP shareholders to be dated on or about Wednesday, 9 September 2020 (‘the Circular’). The *pro forma* financial information, as set out in paragraph 15.4 and **Annexure 6** of the Circular, consists of the *pro forma* financial effects, the statement of financial position as at 29 February 2020, the *pro forma* statement of comprehensive income for the period ended 29 February 2020 and related notes (the “*Pro Forma* Financial Information”). The applicable criteria on the basis of which the directors have compiled the *Pro Forma* Financial Information are specified in the JSE Limited (JSE) Listings Requirements and described in **Annexure 6** of the Circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the UCP Board between UCP and UCP shareholders, in terms of which, if successfully implemented, Afrimat will acquire all of the shares not already held by Afrimat in UCP (“the Scheme”). As part of this process, information about the Company’s financial position and financial performance has been extracted by the directors from the Company’s financial statements for the period ended 29 February 2020, which is audited.

Directors’ responsibility

The directors of the Company are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 6** of the Circular.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors’ (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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

Reporting accountant’s responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 6** of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

The purpose of *Pro Forma* Financial Information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *Pro Forma* Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

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

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 6** of the Circular.

PricewaterhouseCoopers Inc.
Director: FHS Weilbach
Registered Auditor
Stellenbosch

3 September 2020

FOREIGN UCP SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

1. FOREIGN UCP SHAREHOLDERS

- 1.1 The Scheme may be affected by the Laws of the relevant jurisdiction of a Foreign UCP Shareholder. A Foreign UCP Shareholder should acquaint itself with and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign UCP Shareholder to satisfy itself as to the full observance of the Laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.
- 1.2 The Scheme is governed by the Laws of South Africa and are subject to any applicable Laws and regulations, including the Exchange Control Regulations.
- 1.3 Any UCP Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which may apply to Scheme Participants, nor advice in relation thereto. Scheme Participants who have any queries regarding the Exchange Control Regulations should contact their own independent professional advisors without delay.

2.1 Residents of the Common Monetary Area

In the case of:

- 2.1.1 Scheme Participants holding Certificated UCP Shares whose registered address in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Consideration Shares will be transferred to such Scheme Participants in accordance with paragraph 4.5 of this Circular; or
- 2.1.2 Scheme Participants holding Dematerialised UCP Shares whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations, the Consideration Shares will be transferred to such Scheme Participants in accordance with paragraph 4.5 of this Circular.

2.2 Emigrants from the Common Monetary Area

In the case of Scheme Participants who are emigrants from (and whose registered addresses in the Register are outside) the Common Monetary Area ("**Emigrants**") and whose Scheme Shares form part of their blocked assets, the Afrimat Shares will:

- 2.2.1 in the case of Scheme Participants holding Certificated UCP Shares whose Documents of Title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in South Africa controlling such Scheme Participants' remaining assets in terms of the Exchange Control Regulations. The Documents of Title will be endorsed "non-resident" in terms of the Exchange Control Regulations. The Form of Surrender and Transfer (*blue*) makes provision for details of the authorised dealer concerned to be given; or
- 2.2.2 in the case of Scheme Participants holding Dematerialised Shares, be credited to their CSDP controlling their remaining assets in terms of the Exchange Control Regulations.

2.3 **All other non-residents of the Common Monetary Area**

The Consideration Shares accruing to non-resident Scheme Participants whose registered addresses are outside the Common Monetary Area and who are not Emigrants will:

- 2.3.1 in the case of Scheme Participants holding Certificated UCP Shares whose Documents of Title have been restrictively endorsed in terms of the Exchange Control Regulations, be posted to their registered address, unless written instructions to the contrary are received and an address provided. The Documents of Title will be endorsed “non-resident” in terms of the Exchange Control Regulations. The Form of Surrender and Transfer (*blue*) makes provision for a substitute address or bank details; or
- 2.3.2 in the case of Scheme Participants holding Dematerialised UCP Shares, be credited to their duly appointed CSDP controlling the particular non-resident’s remaining assets.

2.4 **Information not provided**

If the information regarding the authorised dealer is not given, or the instruction is not given and no bank account or address details for the Scheme Participant in question appears in the Register, the Scheme Consideration will be held in trust by UCP (or its agent) in accordance with paragraph 4.5 of the Circular.

WORDING OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

“Section 115: Required approval for transactions contemplated in Part A

- (1) *Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless—*
- (a) *the disposal, amalgamation or merger, or scheme of arrangement—*
 - (i) *has been approved in terms of this section; or*
 - (ii) *is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and*
 - (b) *to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to—*
 - (i) *dispose of all or the greater part of its assets or undertaking;*
 - (ii) *amalgamate or merge with another company; or*
 - (iii) *implement a scheme of arrangement,*

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).
- (2) *A proposed transaction contemplated in subsection (1) must be approved —*
- (a) *by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company’s Memorandum of Incorporation, as contemplated in section 64(2); and*
 - (b) *by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company’s holding company if any, if—*
 - (i) *the holding company is a company or an external company;*
 - (ii) *the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and*
 - (iii) *having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and*
 - (c) *by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).*
- (3) *Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if—*
- (a) *the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or*
 - (b) *the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).*

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights—
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either—
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant—
- (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if—
- (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person—
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect—
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Section 164: Dissenting shareholders appraisal rights

- (1) *This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.*
- (2) *If a company has given notice to shareholders of a meeting to consider adopting a resolution to—*
 - (a) *amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or*
 - (b) *enter into a transaction contemplated in section 112, 113, or 114,*
that notice must include a statement informing shareholders of their rights under this section.
- (3) *At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.*
- (4) *Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who—*
 - (a) *gave the company a written notice of objection in terms of subsection (3); and*
 - (b) *has neither—*
 - (i) *withdrawn that notice; or*
 - (ii) *voted in support of the resolution.*
- (5) *A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if—*
 - (a) *the shareholder—*
 - (i) *sent the company a notice of objection, subject to subsection (6); and*
 - (ii) *in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;*
 - (b) *the company has adopted the resolution contemplated in subsection (2); and*
 - (c) *the shareholder—*
 - (i) *voted against that resolution; and*
 - (ii) *has complied with all of the procedural requirements of this section.*
- (6) *The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.*
- (7) *A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within—*
 - (a) *20 business days after receiving a notice under subsection (4); or*
 - (b) *if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.*
- (8) *A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state—*
 - (a) *the shareholder's name and address;*
 - (b) *the number and class of shares in respect of which the shareholder seeks payment; and*
 - (c) *a demand for payment of the fair value of those shares.*
- (9) *A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless—*
 - (a) *the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);*

- (b) *the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or*
 - (c) *the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.*
- (10) *If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.*
- (11) *Within five business days after the later of—*
- (a) *the day on which the action approved by the resolution is effective;*
 - (b) *the last day for the receipt of demands in terms of subsection (7)(a); or*
 - (c) *the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.*
- (12) *Every offer made under subsection (11)—*
- (a) *in respect of shares of the same class or series must be on the same terms; and*
 - (b) *lapses if it has not been accepted within 30 business days after it was made.*
- (13) *If a shareholder accepts an offer made under subsection (12)—*
- (a) *the shareholder must either in the case of—*
 - (i) *shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or*
 - (ii) *uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and*
 - (b) *the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and—*
 - (i) *tendered the share certificates; or*
 - (ii) *directed the transfer to the company of uncertificated shares.*
- (14) *A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has—*
- (a) *failed to make an offer under subsection (11); or*
 - (b) *made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.*
- (15) *On an application to the court under subsection (14)—*
- (a) *all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;*
 - (b) *the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and*
 - (c) *the court—*
 - (i) *may determine whether any other person is a dissenting shareholder who should be joined as a party;*
 - (ii) *must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);*

- (iii) *in its discretion may—*
 - (aa) *appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or*
 - (bb) *allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;*
 - (iv) *may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and*
 - (v) *must make an order requiring—*
 - (aa) *the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and*
 - (bb) *the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.*
- (15A) *At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case—*
- (a) *that shareholder must comply with the requirements of subsection 13(a); and*
 - (b) *the company must comply with the requirements of subsection 13(b).*
- (16) *The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.*
- (17) *If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months—*
- (a) *the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and*
 - (b) *the court may make an order that—*
 - (i) *is just and equitable, having regard to the financial circumstances of the company; and*
 - (ii) *ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.*
- (18) *If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.*
- (19) *For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to—*
- (a) *the provisions of that section; or*
 - (b) *the application by the company of the solvency and liquidity test set out in section 4.*
- (20) *Except to the extent—*
- (a) *expressly provided in this section; or*
 - (b) *that the Panel rules otherwise in a particular case,*
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.*

IRREVOCABLE UNDERTAKINGS BY UCP SHAREHOLDERS

The UCP Shareholders listed below provided Irrevocable Undertakings to vote in favour of the Scheme Resolution in respect of UCP Shares held by them at the time of the General Meeting.

UCP Shareholder	Number of UCP Shares held as at the date of the Firm Intention Announcement	UCP Shares held as a % of the aggregate issued UCP Shares as at the date of publication of the Firm Intention Announcement (excluding the Excluded Shares)	UCP Shares held as a % of the aggregate issued UCP Shares as at the date of publication of the Firm Intention Announcement (including the Excluded Shares)
JB Private Equity	436 436 296	51.73%	37.38%
Rozendal Worldwide Flexible Prescient QI Hedge Fund*	90 909 090	10.78%	7.79%
CIH	74 553 403	8.84%	6.39%
Regarding Capital Management Proprietary Limited	5 065 425	0.60%	0.43%
Counterpoint Boutique	58 952 341	6.99%	5.05%
Total	665 916 555	78.94%	57.04%

* represented by Prescient Management Company (RF) Proprietary Limited

Note:

- (1) To the best of the knowledge of UCP and Afrimat, none of the Persons set out above hold securities in Afrimat, save for Counterpoint Boutique as asset manager which currently holds 111 883 Afrimat Shares (comprising approximately 0.078% of the Afrimat Shares in issue) on behalf of clients across its various funds and Regarding Capital Management Proprietary Limited as asset manager which currently holds 17 539 Afrimat Shares (comprising approximately 0.01% of the Afrimat Shares in issue) on behalf of clients across its various funds. The control of these minor holdings is dependent of the respective client mandates.
- (2) UCP Shareholders should however note that certain of the above shareholdings may have changed since the date of the Firm Intention Announcement and may change further prior to the Scheme Voting Record Date.

TRADING HISTORY OF UCP SHARES

Set out below is a table showing the aggregate volumes and values traded, closing price and the highest and lowest prices traded in UCP Shares for:

- each month over the twelve months prior to the Last Practicable Date; and
- each day over the 30 trading days preceding the Last Practicable Date.

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value Traded (R)
Monthly					
July 2020	13	9	11	4 581 031	499 971
June 2020	11	9	9	602 108	59 150
May 2020	11	8	10	7 561 923	757 584
April 2020	12	4	10	687 547	66 452
March 2020	14	5	12	2 518 720	292 596
February 2020	16	8	12	7 320 226	838 352
January 2020	17	12	16	929 654	134 309
December 2019	23	11	17	56 330 018	9 209 294
November 2019	19	13	15	637 304 235	31 925 261
October 2019	20	11	18	9 762 275	1 658 213
September 2019	19	15	18	743 494	130 277
August 2019	20	13	15	7 721 262	1 183 326
Daily					
21 August 2020	–	–	11	–	–
20 August 2020	–	–	11	–	–
19 August 2020	11	11	11	450	49
18 August 2020	11	11	11	28 102	3 091
17 August 2020	12	12	12	165 000	19 800
14 August 2020	12	12	12	50 000	6 000
13 August 2020	12	11	12	310 325	36 761
12 August 2020	–	–	12	–	–
11 August 2020	12	11	12	3 993	463
7 August 2020	12	11	11	23 013	2 731
6 August 2020	11	11	11	105 171	11 568
5 August 2020	11	11	11	1 088 504	119 735
4 August 2020	12	11	12	36 097	4 269
3 August 2020	11	11	11	67 678	7 444
31 July 2020	13	11	11	168 730	20 421
30 July 2020	13	11	12	652 065	76 927
29 July 2020	11	11	11	1 100 700	121 077
28 July 2020	11	11	11	1 912	210
27 July 2020	11	11	11	57 000	6 270
24 July 2020	11	11	11	172 263	18 948
23 July 2020	11	10	10	153 200	16 552
22 July 2020	–	–	10	–	–
21 July 2020	–	–	10	–	–
20 July 2020	–	–	10	–	–
17 July 2020	10	10	10	305 692	30 569
16 July 2020	11	10	11	11 479	1 172
15 July 2020	–	–	11	–	–
14 July 2020	11	10	11	51 667	5 241
13 July 2020	10	10	10	100 000	10 000
10 July 2020	11	11	11	1 281 908	141 009

TRADING HISTORY OF AFRIMAT SHARES

Set out below is a table showing the aggregate volumes and values traded, closing price and the highest and lowest prices traded in Afrimat Shares for:

- each month over the twelve months prior to the Last Practicable Date; and
- each day over the 30 trading days preceding the Last Practicable Date.

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value Traded (R)
Monthly					
July 2020	3 650	3 050	3 400	2 655 159	88 607 543
June 2020	3 300	2 870	3 150	3 344 922	103 031 750
May 2020	3 228	2 400	3 100	2 076 124	57 859 893
April 2020	3 000	2 200	2 587	1 791 562	44 739 459
March 2020	3 127	2 101	2 500	3 859 971	99 199 451
February 2020	3 265	2 665	2 850	1 086 426	32 235 426
January 2020	3 425	3 099	3 264	1 406 115	45 983 088
December 2019	3 439	3 052	3 319	657 244	21 007 176
November 2019	3 498	3 100	3 339	2 018 267	65 596 418
October 2019	3 498	3 051	3 193	1 047 578	33 447 598
September 2019	3 350	2 855	3 349	2 342 851	72 572 687
August 2019	3 534	2 844	3 050	1 480 422	47 463 965
Daily					
21 August 2020	3 423	3 350	3 350	51 646	1 749 403
20 August 2020	3 425	3 300	3 300	96 269	3 231 698
19 August 2020	3 450	3 325	3 402	79 767	2 704 304
18 August 2020	3 389	3 149	3 300	1 693 667	55 827 104
17 August 2020	3 300	2 950	3 070	296 066	9 407 225
14 August 2020	3 400	3 201	3 240	52 104	1 694 458
13 August 2020	3 399	3 280	3 300	144 044	4 761 558
12 August 2020	3 365	3 301	3 318	33 779	1 128 962
11 August 2020	3 450	3 306	3 415	57 266	1 957 403
7 August 2020	3 434	3 364	3 417	4 697	160 037
6 August 2020	3 364	3 246	3 364	41 654	1 371 865
5 August 2020	3 453	3 241	3 241	38 991	1 287 221
4 August 2020	3 395	3 290	3 380	30 744	1 022 029
3 August 2020	3 489	3 264	3 280	71 056	2 406 309
31 July 2020	3 600	3 260	3 400	325 572	11 057 062
30 July 2020	3 650	3 426	3 493	468 870	16 929 863
29 July 2020	3 600	3 448	3 584	354 264	12 441 078
28 July 2020	3 400	3 260	3 400	230 993	7 749 704
27 July 2020	3 300	3 200	3 300	157 850	5 148 286
24 July 2020	3 225	3 160	3 225	49 646	1 592 338
23 July 2020	3 199	3 143	3 177	37 705	1 188 674
22 July 2020	3 200	3 112	3 112	22 136	703 194
21 July 2020	3 239	3 173	3 200	27 148	869 260
20 July 2020	3 160	3 121	3 159	226 743	7 140 467
17 July 2020	3 139	3 110	3 134	415	12 993
16 July 2020	3 127	3 050	3 100	17 731	548 195
15 July 2020	3 139	3 100	3 128	9 910	307 261
14 July 2020	3 149	3 100	3 101	43 973	1 365 705
13 July 2020	3 150	3 055	3 100	127 250	3 945 777
10 July 2020	3 220	3 100	3 100	31 641	991 294



UNICORN CAPITAL
PARTNERS LIMITED

UNICORN CAPITAL PARTNERS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1992/001973/06)

Share code: UCP

ISIN: ZAE000244745

("UCP" or "the Company")

NOTICE OF GENERAL MEETING OF UCP SHAREHOLDERS

As a result of the impact of the COVID-19 pandemic and restrictions placed on public gatherings, the General Meeting will be held in electronic format only.

NOTICE IS HEREBY GIVEN that a general meeting of UCP Shareholders will be held and conducted entirely by electronic communication at 10:00 on Friday, 9 October 2020.

Purpose

The purpose of the General Meeting of UCP Shareholders is to consider and, if deemed fit, to approve, with or without modification, the special and ordinary resolutions set out in this Notice of General Meeting.

Note:

- *The definitions and interpretations commencing on page 15 of the Circular to which this Notice of General Meeting is attached ("the Circular") (i) apply, unless the context clearly indicates otherwise, mutatis mutandis to this notice and to the resolutions set out below, and (ii) are hereby incorporated into this notice by reference thereto.*
- *For Special Resolution Number 1 to be approved by UCP Shareholders, it must be supported by at least 75% of the votes exercised on the resolution by UCP Shareholders. The Excluded Shareholders will be excluded from voting on Special Resolution Number 1. As at the Last Practicable Date, the only Excluded Shareholders are Afrimat, any Member of Afrimat Group and Megacube Mining Proprietary Limited.*
- *For Special Resolution Number 2 to be approved by UCP Shareholders, it must be supported by at least 75% of the votes exercised on the resolution.*
- *For Ordinary Resolution Number 1 to be approved by UCP Shareholders it must be supported by more than 50% of the votes exercised on the resolution by UCP Shareholders.*
- *Quorum requirements: The General Meeting may not begin unless (i) at least three UCP Shareholders entitled to attend and vote are present or represented at the General Meeting; and (ii) sufficient Persons are present or represented at the General Meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting. Further, a matter to be decided at the General Meeting may not begin to be considered unless at the time the matter is called on the agenda (a) at least three UCP Shareholders entitled to attend and vote on that matter are present or represented at the General Meeting; and (b) sufficient Persons are present or represented at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter.*
- *The date on which UCP Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 4 September 2020.*

SPECIAL RESOLUTION NUMBER 1 – Approval of the Scheme in terms of sections 114 and 115 of the Companies Act by UCP Shareholders

“RESOLVED THAT the scheme of arrangement in terms of section 114 of the Companies Act (as more fully set out in the Circular and as same may be amended or varied as contemplated in the Circular) proposed by the UCP Board between UCP and the holders of UCP Shares (other than the holders of the Excluded Shares) in terms of which, *inter alia*, if such scheme of arrangement becomes Operative:

- Afrimat will acquire, on the terms and subject to the conditions set out in the Circular (as same may be amended or varied as contemplated in the Circular), all the Scheme Shares; and
- each Scheme Participant will receive the Scheme Consideration;

be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act.”

Reason for and effect of Special Resolution Number 1

The reason for and, if passed, the effect of Special Resolution Number 1 is to obtain UCP Shareholder approval, as required in terms of section 114 read with section 115 of the Companies Act, for the Scheme proposed by the UCP Board between UCP and the Scheme Participants. UCP Shareholders are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

SPECIAL RESOLUTION NUMBER 2 – Revocation of Special Resolution Number 1

“RESOLVED THAT in terms of section 164(9) of the Companies Act, if Special Resolution Number 1 is adopted, but thereafter any Condition to the Scheme fails or the Scheme otherwise lapses or fails, then at the time of the occurrence of such event, Special Resolution Number 1 will be deemed to have been revoked; and accordingly each Dissenting Shareholder which has, pursuant to the adoption of the revoked Special Resolution Number 1, sent a demand to UCP in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its UCP Shares, shall cease to have, and be deemed not to have had, any right, pursuant to the adoption of the revoked Special Resolution Number 1, to be paid under section 164 of the Companies Act.”

Reason for and effect of Special Resolution Number 2

The reason for and, if passed, the effect Special Resolution Number 2 is to remove Dissenting Shareholders’ right to payment under section 164 of the Companies Act in certain circumstances set out in the resolution. The effect of Special Resolution Number 2 is to remove a Dissenting Shareholder’s right to payment under section 164 of the Companies Act in such circumstances.

ORDINARY RESOLUTION NUMBER 1 – Implementation

“RESOLVED THAT each director and/or the company secretary of UCP be and is hereby authorised to do all such things, including signing all such documentation, as are necessary or desirable to give effect to the ordinary and special resolutions passed at the General Meeting.”

Reason and effect of Ordinary Resolution Number 1

The reason for and, if passed, the effect of Ordinary Resolution Number 1 is to authorise each director and/or the company secretary of UCP to do all such things, including signing of documents and entering into of agreements, to give effect to and implement the special and ordinary resolutions approved at the General Meeting.

IMPORTANT NOTE

UCP will endeavour to publish its financial results for the year ended 30 June 2020 (audited or reviewed), alternatively, the Trading Statement, by no later than 10:00 on Wednesday, 7 October 2020 (being at least 48 hours before the General Meeting). If UCP is unable to do so, the General Meeting shall still be convened at 10:00 on Friday, 9 October 2020, but then immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 48 hours after publication of such financial results or Trading Statement.

VOTING AND PROXIES

The Scheme Voting Record Date, being the date on which UCP Shareholders must be recorded in the Register to be entitled to attend and vote at the General Meeting is Friday, 2 October 2020. The last day to trade in order to be entitled to attend and vote at the General Meeting is Tuesday, 29 September 2020.

In terms of section 63(1) of the Companies Act, all General Meeting participants will be required to provide identification reasonably satisfactory to the Transfer Secretaries, by submitting the written application (the form of which is attached to the Notice of General Meeting), and the relevant documentation by post or by e-mail, as the case may be.

The Transfer Secretaries must be reasonably satisfied that the right of that person to participate in, speak and vote at the General Meeting as an UCP Shareholder, as proxy or as a representative of an UCP Shareholder, has been reasonably verified. Accepted forms of identification include certified copies of South African drivers' licenses, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs, as well as passports.

UCP Shareholders entitled to participate electronically and vote at the General Meeting may appoint one or more proxies to participate, speak and vote thereat in their stead. A proxy needs not be an UCP Shareholder. A Form of Proxy (*yellow*), which sets out the relevant instructions for its completion, is attached to this Circular for use by Certificated UCP Shareholders or Own-Name Dematerialised UCP Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (*yellow*) will not preclude such UCP Shareholder from participating electronically and voting (to the exclusion of that UCP Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries, at the addresses given below, to be received by them preferably by no later than 10:00 on Wednesday, 7 October 2020, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any UCP Shareholder rights at the General Meeting.

Dematerialised UCP Shareholders, other than Own-Name Dematerialised UCP Shareholders, who wish to participate electronically in the General Meeting, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the Custody Agreement entered into between such UCP Shareholders and the CSDP or Broker.

Dematerialised UCP Shareholders, other than Own-Name Dematerialised UCP Shareholders, who are unable to participate electronically in the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the Custody Agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

UCP Shareholders participating electronically, or represented by proxy or authorised representative shall on a poll have one vote in respect of each Share held.

APPRAISAL RIGHTS

UCP Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. Their attention is drawn to the full provisions of that section which are set out in **Annexure 9** to the Circular.

ELECTRONIC PARTICIPATION

In order to attend the General Meeting and participate electronically thereat UCP Shareholders must pre-register with the Transfer Secretaries by making a written application (on the Electronic Participation Form) to so participate, by delivering the Electronic Participation Form to the Transfer Secretaries at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the UCP Shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the Transfer Secretaries by no later than 10:00 on Wednesday, 7 October 2020, in order for the Transfer Secretaries to arrange such participation for the UCP Shareholder and for the Company or the Transfer Secretaries to provide the UCP Shareholder with the details as to how to access the General Meeting by means of electronic participation. Shareholders may still register/apply to participate in and/or vote electronically at the General Meeting after this date, provided, however, that those Shareholders are first verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting.

Upon receiving a completed Electronic Participation Form, the Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting. The Transfer Secretaries will provide UCP with the email address of each verified UCP Shareholder ("**Verified UCP Shareholder**") or their duly appointed proxy to enable the Company to forward to such Verified UCP Shareholder a Zoom meeting invitation required to access the General Meeting. Alternatively, the Transfer Secretaries will forward to such Verified UCP Shareholder a Zoom meeting invitation required to access the General Meeting.

UCP or the Transfer Secretaries will send each Verified UCP Shareholder a Zoom meeting invitation with a link to "Join the Zoom Meeting" on Thursday, 8 October 2020 to enable Verified UCP Shareholders to link up and participate electronically in the General Meeting. This link will be sent to the email address nominated by the Verified UCP Shareholder in the Electronic Participation Form.

In person registration of General Meeting participants will not be permitted.

UCP Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of UCP, Afrimat and/or the Transfer Secretaries. None of UCP, Afrimat and/or the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such UCP Shareholder from participating in and/or voting at the General Meeting.

Electronic voting at the General Meeting

UCP Shareholders connecting to the General Meeting electronically will be able to participate in the General Meeting. The electronic platform Zoom to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, UCP Shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the Form of Proxy and lodging the completed proxy form together with the Electronic Participation Form with the Transfer Secretaries. UCP Shareholders who indicate in the Electronic Participation Form that they wish to vote during the electronic meeting, will be contacted by the Transfer Secretaries to make the necessary arrangements.

Shareholders are also encouraged to submit any questions to UCP's company secretary prior to the General Meeting, by no later than 10:00, Wednesday, 7 October 2020, at cidalina@light-consulting.co.za. These questions will be addressed at the General Meeting.

All eligible UCP Shareholders will be entitled to participate electronically in the General Meeting and to vote (or abstain from voting) on the resolutions proposed at the General Meeting.

SIGNED ON WEDNESDAY, 9 SEPTEMBER 2020 BY RB PATMORE ON BEHALF OF THE INDEPENDENT BOARD OF UCP, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY MEMBERS OF THE INDEPENDENT BOARD



RB Patmore

Chairman of the Independent Board

Company Secretary

Light Consulting Proprietary Limited
(Registration number 1998/025284/07)
20 Stirrup Lane, Woodmead Office Park,
Corner Woodmead Drive & Van Reenens Avenue,
Woodmead, 2191
(Suite #439, Private Bag X29, Gallo Manor, 2052)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
First Floor, Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

ELECTRONIC PARTICIPATION FORM

PARTICIPATION IN THE GENERAL MEETING VIA ELECTRONIC COMMUNICATION:

Capitalised terms used in this Electronic Participation Form shall bear the meanings ascribed thereto in the Circular to which the Notice of General Meeting is attached.

1. UCP Shareholders or their duly appointed proxy(ies) that wish to participate in the General Meeting via electronic communication (“Participants”) must apply to Computershare, by delivering this duly completed Electronic Participation Form to:

1.1 Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za so as to be received by Computershare by no later than 10:00 on Wednesday, 7 October 2020, for administrative reasons, in order for the Transfer Secretaries to arrange such participation for the UCP Shareholder and for the Transfer Secretaries to provide the UCP Shareholder with the details as to how to access the General Meeting by means of electronic participation.

1.2 UCP Shareholders may still register/apply to participate in and/or vote electronically at the General Meeting after the aforementioned date, provided, however, that those UCP Shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting.

2. Important notice

2.1 The Transfer Secretaries shall, by no later than Thursday, 8 October 2020, notify Participants that have delivered valid notices in the form of this Electronic Participation Form, by email of the relevant details through which Participants can participate electronically, subject to such UCP Shareholders delivering this Electronic Participation Form by 10:00 on Wednesday, 7 October 2020.

2.2 The cut-off time to participate in the General Meeting via electronic communication will be 09:55 on Friday, 9 October 2020 provided that those UCP Shareholders wishing to participate are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting. No late registrations will be accommodated.

2.3 Upon receiving a completed Electronic Participation Form, the Transfer Secretaries will follow a verification process to verify each applicant’s entitlement to participate in and/or vote at the General Meeting. The Transfer Secretaries will provide UCP with the email address of each Participant or their duly appointed proxy to enable the Company to forward to such Participant a Zoom meeting invitation required to access the General Meeting. Alternatively, the Transfer Secretaries will forward to such Verified UCP Shareholders a Zoom meeting invitation required to access the General Meeting.

2.4 UCP or the Transfer Secretaries will send each Participant a Zoom meeting invitation with a link to “Join the Zoom Meeting” on Thursday, 8 October 2020 to enable Participants to link up and participate electronically in the General Meeting. This link will be sent to the email address nominated by the Participant in this Electronic Participation Form.

2.5 UCP Shareholders connecting to the General Meeting electronically will be able to participate in the General Meeting. The electronic platform Zoom to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, UCP Shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the Form of Proxy and lodging the completed proxy form together with the Electronic Participation Form with Computershare. UCP Shareholders who indicate in this Electronic Participation Form that they wish to vote during the electronic meeting, will be contacted by Computershare to make the necessary arrangements.

Electronic Participation Form		
Full name of Participant:		
ID number:		
Email address:		
*Note: this email address will be used by the Company's Transfer Secretaries to share the Zoom meeting invitation required to access the General Meeting electronically		
Cell number:		
Telephone number:	(code):	(number):
*Note: The electronic platform to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, UCP Shareholders are strongly encouraged to submit votes by proxy in advance of the General, by completing the proxy form.		
Indicate (by marking with an "X") whether:		
<input type="checkbox"/> votes will be submitted by proxy (in which case, please enclose the duly completed Form of Proxy with this form) rather than seeking to vote during the General Meeting; or		
<input type="checkbox"/> the Participant wishes to exercise votes during the General Meeting. If this option is selected, the Company's Transfer Secretaries will contact you to make the necessary arrangements.		
Name of CSDP or broker (if UCP Shares are held in dematerialised format):		
Contact number of CSDP/broker:		
Contact person of CSDP/broker:		
Number of share certificate (if applicable):		
Signature:		
Date:		

Terms and conditions for participation in the General Meeting via electronic communication

1. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the General, must be attached to this application.
2. A certified copy of the valid identity document/passport of the person attending the General Meeting by electronic participation, including any person acting in a representative capacity, must be attached to this application.
3. The cost of electronic participation in the General Meeting is for the expense of the Participant and will be billed separately by the Participant's own service provider.
4. The Participant acknowledges that the electronic communication services are provided by a third parties and indemnifies UCP, Afrimat and/or the Transfer Secretaries against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against UCP, Afrimat and/or the Transfer Secretaries, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the General Meeting.
5. The application to participate in the General Meeting electronically will only be deemed successful if this Electronic Participation Form has been completed fully and signed by the Participant.

Participant's name

Signature

Date



UNICORN CAPITAL
PARTNERS LIMITED

UNICORN CAPITAL PARTNERS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1992/001973/06)

Share code: UCP
ISIN: ZAE000244745
("UCP" or "the Company")

**FORM OF PROXY IN RESPECT OF THE GENERAL MEETING OF UCP SHAREHOLDERS
(for use by Certificated UCP Shareholders, Own-Name Dematerialised UCP Shareholders only)**

The definitions and interpretations commencing on page 15 of the Circular to which this Form of Proxy is attached ("the Circular") shall, unless the context clearly requires otherwise, apply to this Form of Proxy.

For use by UCP Shareholders at the General Meeting (which will be held and conducted entirely by electronic communication) convened in terms of the Companies Act to be held at 10:00 on Friday, 9 October 2020 or any adjourned or postponed meeting.

UCP will endeavour to publish its financial results for the year ended 30 June 2020 (audited or reviewed), alternatively, the Trading Statement, by no later than 10:00 on Wednesday, 7 October 2020 (being at least 48 hours before the General Meeting). If UCP is unable to do so, the General Meeting shall still be convened at 10:00 on Friday, 9 October 2020, but then immediately adjourned to a later date, as shall be advised on SENS, so that the reconvened General Meeting is held at least 48 hours after publication of such financial results or Trading Statement.

Dematerialised UCP Shareholders holding UCP Shares other than with Own-Name Registration, must inform their CSDP or Broker of their intention to attend the General Meeting electronically and request their CSDP or Broker to issue them with the necessary letter of representation and/or proxy form to attend the General Meeting electronically and vote (or abstain from voting) or provide their CSDP or Broker with their instructions should they not wish to attend the General Meeting. Letters of representation must be lodged with Computershare by the commencement of the General Meeting (including any adjournment or postponed meeting). Such UCP Shareholders must not use this form of proxy.

I/We (Please PRINT names in full)

of (address)

Telephone number

Cellphone number

e-mail address

being the holder(s) of UCP Shares

do hereby appoint (see notes 1 and 2):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. _____ the chairperson of the General Meeting

as my/our proxy to attend, speak and vote for me/us at the General Meeting (or any postponement or adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each postponement or adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the UCP Shares registered in my/our name(s), in accordance with the following instructions and otherwise in accordance with the Companies Act, the MOI and the terms of the attached notes:

	For	Against	Abstain
Special Resolution Number 1: Approval of the Scheme in terms of sections 114 and 115 of the Companies Act by UCP Shareholders			
Special Resolution Number 2: Revocation of Special Resolution Number 1			
Ordinary Resolution Number 1: Implementation			

*One vote per UCP Share held by UCP Shareholders. UCP Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all UCP Shares held by them. If no instruction is provided, the proxy (if not the chairperson of the General Meeting) shall be entitled to vote or abstain from voting as he/she deems fit, provided that if the proxy is the chairperson of the General Meeting, he shall be deemed to be instructed to vote in favour of the resolutions set out above, in respect of all shares held by the UCP Shareholder.

Signed at _____ on _____

Signature

Capacity of signatory (where applicable)

Note: Authority of signatory to be attached – see notes 8 and 9.

Assisted by me (where applicable)

Full name

Capacity

Signature

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.
- Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.
- Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.
- If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.
- A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.
- If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.

Notes:

1. UCP Shareholders who hold Dematerialised UCP Shares other than with Own-Name Registration:
 - 1.1. who wish to attend the General Meeting electronically may do so by requesting the registered holder, being their CSDP, Broker or nominee, to issue them with a letter of representation;
 - 1.2. who do not wish to attend the General Meeting in person but wish to vote (or abstain from voting) thereat must provide the registered holder, being the CSDP, Broker or nominee, with their instructions. The instructions must reach the registered holder in sufficient time to allow the registered holder to exercise such vote on their behalf.
2. Each UCP Shareholder is entitled to appoint one (or more) proxies (none of whom need be an UCP Shareholder) to attend, speak and vote in place of that UCP Shareholder at the General Meeting.
3. An UCP Shareholder entitled to attend and vote at the General Meeting may insert the name of a proxy or the names of two alternative proxies of the UCP Shareholder's choice in the space/s provided with or without deleting "the chairperson of the General Meeting" but the UCP Shareholder must initial any such deletion. The person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairperson of the General Meeting.
4. Completed Forms of Proxy and the authority (if any) under which they are signed must be (i) lodged with or posted to the Transfer Secretaries (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za to Computershare, to be received by them, for administrative purposes, by no later than 10:00 on Wednesday, 7 October 2020, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any rights of the UCP Shareholder at such General Meeting.
5. The completion and lodging of this Form of Proxy will not preclude the relevant UCP Shareholder from connecting electronically to the General Meeting and speaking and voting electronically, thereat to the exclusion of any proxy appointed in terms hereof, should such UCP Shareholder wish to do so.
6. The chairperson of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the MOI.
7. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by UCP.
9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered by UCP or waived by the chairperson of the General Meeting.
10. Where UCP Shares are held jointly, all joint holders are required to sign this Form of Proxy.
11. A minor UCP Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by UCP.
12. This Form of Proxy shall be valid at any resumption of an adjourned or postponed meeting to which it relates although this Form of Proxy shall not be used at the resumption of an adjourned or postponed meeting if it could not have been used at the General Meeting of UCP Shareholders from which it was adjourned or postponed for any reason other than it was not lodged timeously for the meeting from which the adjournment took place.
13. This Form of Proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting of UCP Shareholders in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the UCP Shares in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by UCP before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this Form of Proxy may not delegate her or his authority to act on behalf of the relevant UCP Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting of UCP Shareholders or any adjournment of such General Meeting or any postponed meeting.



UNICORN CAPITAL
PARTNERS LIMITED

UNICORN CAPITAL PARTNERS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1992/001973/06)

Share code: UCP

ISIN: ZAE000244745

("UCP" or "the Company")

FORM OF SURRENDER AND TRANSFER (for use by Certificated UCP Shareholders only)

The definitions and interpretations commencing on page 15 of the Circular to which this Form of Surrender and Transfer is attached ("**the Circular**"), apply, unless the context clearly indicates otherwise, to this Form of Surrender and Transfer.

This form should be read in conjunction with the Circular.

DEMATERIALISED UCP SHAREHOLDERS MUST NOT COMPLETE THIS FORM OF SURRENDER AND TRANSFER.

Instructions:

1. A separate Form of Surrender and Transfer is required for each Certificated UCP Shareholder. Certificated UCP Shareholders must complete this Form of Surrender and Transfer in **BLOCK CAPITALS**.
2. Part A must be completed by **ALL** Certificated UCP Shareholders who return this form and **relates to the surrender of Documents of Title**.
3. Part B must be completed by Certificated UCP Shareholders **who are emigrants from or non-residents of** the Common Monetary Area (see note 1).
4. Part C must be completed by all Certificated UCP Shareholders who return this form and relates to the settlement of the Scheme Consideration.

Please also read notes overleaf.

To: Computershare Investor Services Proprietary Limited

Hand deliveries to:

Computershare Investor Services (Pty) Ltd

First floor, Rosebank Towers

15 Biermann Avenue

First Floor, Rosebank

Johannesburg, 2196

Postal deliveries to:

Computershare Investor Services (Pty) Ltd

PO Box 61763, Marshalltown, 2107

Dear Sirs/Madams

PART A – SURRENDER OF DOCUMENTS OF TITLE

ALL UCP SHAREHOLDERS WHO RETURN THIS FORM MUST PLEASE COMPLETE PART A.

Certificated UCP Shareholders who wish to anticipate the Scheme becoming Operative and expedite settlement of the Scheme Consideration, should complete Part A and return this form to Computershare together with their Document(s) of Title by no later 12:00 on the Scheme Consideration Record Date.

Should the Scheme not become Operative, relevant Documents of Title surrendered to and held by Computershare will be returned to such UCP Shareholders by Computershare, at such UCP Shareholders' own risk, by registered post within 5 (five) Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become Operative, whichever is the later.

Surname or Name of corporate body

First names (in full)

Title

Address

Postal code

Country

Telephone ()

Cellular telephone number

Email address

Please note: In order to comply with the requirements of the Financial Intelligence Centre Act, No 38 of 2001 ("FICA"), Computershare will not be able to record any change of address mandated unless the relevant FICA documentation as advised by Computershare is received from the relevant UCP Shareholder. UCP Shareholders are required to contact Computershare directly on 086 1100 634 (or +27 11 370 5000) in order for Computershare to advise them of the specific FICA documentation required.

I/WE HEREBY SURRENDER THE ENCLOSED SHARE CERTIFICATE/S, CERTIFIED TRANSFER DEED/S AND/OR OTHER DOCUMENTS OF TITLE, DETAILS OF WHICH HAVE BEEN COMPLETED BELOW.

Share certificate/s and/or other Document(s) of Title to be surrendered (as enclosed)

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of UCP Shares covered by each certificate
Total		

Signature of UCP Shareholder	Stamp and address of agent lodging this form
Assisted by me (if applicable)	
State full name and capacity	
Date 2020	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cell phone number ()	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

PART B

1. **To be completed only by Certificated UCP Shareholders who are emigrants from the Common Monetary Area. NB: PART A must also be completed.**

The Scheme Consideration will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

Name and address of authorised dealer in South Africa or substitute instruction

Account number

PART C

To be completed in BLOCK LETTERS by Certificated UCP Shareholders who return this form to indicate how to receive the Scheme Consideration shares on the JSE.

Name of account holder (no third party accounts):	
Name of Broker:	
Name of CSDP:	
Account number of Broker:	
Account number of CSDP:	
Telephone number of CSDP:	
SCA number of Broker/CSDP:	
(State full name and capacity):	

Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the Consideration Shares, in which case your Consideration Shares will be held with Computershare until such time as correct information is received.

Notes:

1. Emigrants from the Common Monetary Area must complete Part B.
2. If this Form of Surrender and Transfer is submitted together with the relevant Document(s) of Title of the Certificated UCP Shares prior to the Implementation Date, it will be treated as a conditional surrender which is made subject to the Scheme becoming unconditional, details of which are set out in the Circular to which this form is attached and forms part of. In the event of the Scheme not becoming unconditional and is not implemented for any reason whatsoever, the Transfer Secretaries shall, by not later than 5 (five) Business Days of either the date upon which it becomes known that the Scheme will not be implemented or on receipt by the Transfer Secretaries of the required Document(s) of Title, whichever is the later, return the Document(s) of Title to the Certificated UCP Shareholders concerned, by registered post, at the risk of such Certificated UCP Shareholders.
3. If a Scheme Participant fails to surrender its Documents of Title by not completing and returning the Form of Surrender and Transfer as aforesaid, or, if in the Form of Surrender and Transfer, the Scheme Participant fails to provide any account details, or provides incorrect account details, of that Scheme Participant's CSDP or Broker, into which that Scheme Participant's Scheme Consideration will be transferred in Dematerialised form, that Scheme Participant's Scheme Consideration will be transferred to an account in the name of Computershare Nominees, who will hold such Afrimat Shares as the registered holder thereof, for and on that Scheme Participant's behalf, and that Scheme Participant will become an Issuer Nominee Dematerialised Afrimat Shareholder.
4. If a Certificated UCP Shareholder produces evidence to the satisfaction of UCP and Afrimat that Documents of Title in respect of UCP Shares have been lost or destroyed, Afrimat may waive the surrender of such Documents of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by UCP and Afrimat, or may in their discretion waive such indemnity.
5. If this Form of Surrender and Transfer is not signed by the Certificated UCP Shareholder, the UCP Shareholder will be deemed to have irrevocably appointed the company secretary of UCP to implement that UCP Shareholder's obligations under the Scheme, on his/her behalf.
6. Persons who have acquired UCP Shares after the date of posting of the Circular to which this Form of Surrender and Transfer is attached, can obtain copies of the Form of Surrender and Transfer and the Circular from UCP's company secretary (as set out in the "*Corporate Information and Advisors*" section of this Circular) and from Computershare at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107)).
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this Form of Surrender and Transfer.
8. Any alteration to this Form of Surrender and Transfer must be signed in full and should not be merely initialled.
9. If this Form of Surrender and Transfer is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this Form of Surrender and Transfer for noting (unless it has already been noted by UCP or Computershare).
10. Where the Certificated UCP Shareholder is a company or a close corporation, unless it has already been registered with UCP or Computershare, a certified copy of the directors' or members' resolution authorising the signing of this Form of Surrender and Transfer must be submitted if so requested by UCP.
11. Note 10 above does not apply in the event of this Form of Surrender and Transfer bearing the stamp of a broking member of the JSE.
12. Where UCP Shares are held jointly, all joint holders are required to sign this Form of Surrender and Transfer.

