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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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The definitions and interpretations commencing on page 8 of this Circular apply *mutatis mutandis* throughout this Circular.

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

If you have disposed of all your Shares in Arden Capital, then this Circular should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom you disposed of your Shares.

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

Shareholders should take careful note of the requirements imposed by the SARB on their shares to be held in AEL should the Proposed Transaction be implemented, as further detailed in paragraph 15, and particular 15.4.



**ARDEN**  
CAPITAL

**Arden Capital Limited**

(Incorporated in the Republic of Mauritius)

(Registration number 115883 C1/GBL)

Share code: ACZ

ISIN: MU0548S00026

("the Company" or "Arden Capital")

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## CIRCULAR TO ARDEN CAPITAL SHAREHOLDERS

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Relating to:

- approval for a Voluntary Liquidation of the Company;
- approval for a *pro rata* Unbundling by Arden Capital of its entire holding in Arden Enterprises Limited to Shareholders through a distribution *in specie* in terms of section 61 of the Mauritius Companies Act pursuant to an orderly wind-up of the Company prior to its liquidation; and
- approval for a Reduction of Stated Capital in accordance with section 62 of the Mauritius Companies Act to enable the Unbundling.

and enclosing:

- a notice convening the Special Meeting; and
- a Form of Proxy for use by Certificated Shareholders and Dematerialised Shareholders with Own-name Registration only.

Transaction Sponsor



Legal Advisor

**EVERSHEDS  
SUTHERLAND**

**Date of issue: Thursday, 18 November 2021**

This Circular is only available in English. Copies of this Circular, in its printed format, may be obtained from the Company and Transaction Sponsor at the addresses set out in the "Corporate Information" section on this Circular during normal business hours from the date of issue hereof up to and including the date of the Special Meeting. An electronic copy of this Circular will be available on the Company's website (<https://www.arden-capital.com/investor-relations/shareholder-circulars>) from the issue date of this Circular.

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## CORPORATE INFORMATION AND ADVISORS

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### **Directors of Arden Capital**

#### **Independent Non-Executive:**

C Mtasa (Lead Independent Director)

GSJ Bennett

Z Madarun

N Sadagur

#### **Non-Executive:**

SFW Village (Chairman)

RG Muirimi

S Nyarota

#### **Executive:**

P Saungweme (Chief Executive Officer)

T Maponga (Interim Chief Finance Officer)

### **Management Company in Mauritius**

Adansonia Management Services Limited

(Registration number: C128022)

Suite 1, Perrieri Office Suites

C1-401, Level 4, Office Block C

La Croisette

Grand Baie, 30517

Republic of Mauritius

### **Transaction Sponsor**

Questco Corporate Advisory Proprietary Limited

(Registration number: 2011/106751/07)

Ground Floor,

Block C, Investment Place

10th Road,

Hyde Park, 2196

Johannesburg, South Africa

### **Date and place of incorporation of Arden Capital**

Incorporated in the Republic of Mauritius on 22 April 2013

### **Registered office of Arden Capital and AEL**

c/o Adansonia Management Services Limited

(Registration number: C128022)

Suite 1, Perrieri Office Suites

C2-302, Level 3, Office Block C

La Croisette

Grand Baie, 30517

Republic of Mauritius

**Telephone:** +230 269 4166

**Email:** investorrelations@arden-capital.com

### **Legal Advisor**

Eversheds Sutherland (Mauritius)

(Registration number: C14123828)

2nd Floor, 246 Edith Cavell Court

Edith Cavell Street

Port Louis, 11302

Mauritius

### **Transfer Secretaries and South African address for receipt of notices**

Computershare Investor Services Proprietary Limited

(Registration number: 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

Johannesburg, South Africa

(Private Bag X9000, Saxonwold, 2132)

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## FORWARD-LOOKING STATEMENT DISCLAIMER

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This Circular includes statements about Arden that are or may be deemed to 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 such as “believe”, “aim”, “expect”, “project”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “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. Arden cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Arden operates 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 made by Arden, as communicated in publicly available documents by Arden, all of which estimates and assumptions, although Arden believes 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 Arden or not currently considered material by Arden.

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 Arden 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 are not known. Arden has no duty to, and does 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.

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## IMPORTANT LEGAL NOTICES

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**The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this section and throughout this Circular.**

### **General**

This Circular does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, Arden Capital Shares, AEL shares, or any other securities in the Group.

The release, publication, or distribution of this Circular in jurisdictions other than South Africa and Mauritius may be restricted by law. The distribution of AEL Distribution Shares to foreign Shareholders in terms of the Arden Unbundling may be affected by the laws of the relevant foreign Shareholders' jurisdiction. In this regard, foreign Shareholders are referred to the further detail set out below and consult their professional advisors accordingly.

### **Applicable Laws**

The Arden Unbundling is proposed solely in terms of this Circular and this Circular sets out the terms and conditions on which the Arden Unbundling is to be implemented.

This Circular has been prepared for purposes of complying with the applicable disclosure requirements of the Companies Act of Mauritius and the JSE Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed had this Circular been prepared in accordance with the laws and regulations of any jurisdiction outside of Mauritius.

Any Shareholder who is in doubt as to their position regarding the contents of this Circular, including, without limitation, their ability to receive the AEL Distribution Shares, as contemplated in this Circular, or their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

### **Objection for removal of Arden from the Registrar's list**

Pursuant to the Voluntary Liquidation, the liquidator will make an application for removal of the Company from the Registrar's list. Shareholders are notified of their rights under section 312 of the Companies Act in terms of which they may have grounds to object against the removal.

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## SALIENT DATES AND TIMES

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Salient dates and times are set out below.

Record date for Shareholders to receive the Circular, incorporating the notice of Special Meeting	Friday, 12 November 2021
Posting of Circular to Shareholders and announced on SENS	Thursday, 18 November 2021
Last day to trade in order to be eligible to participate in and vote at the Special Meeting (note 4)	Tuesday, 7 December 2021
Record date to determine eligible shareholders who may attend, speak and vote at the Special Meeting (note 4)	Friday, 10 December 2021
Last day to lodge Forms of Proxy for the Special Meeting by 10:00 on	Wednesday, 15 December 2021
Special Meeting to be held at 10:00 on	Monday, 20 December 2021
Results of the Special Meeting released on SENS on or about	Monday, 20 December 2021
Results of Special Meeting published in the press on or about	Tuesday, 21 December 2021
<b>If the conditions precedent in paragraph 5 are fulfilled and the Arden Unbundling is approved by Shareholders at the Special Meeting (note 5):</b>	
Finalisation announcement published on SENS on	Tuesday, 21 December 2021
Last day to trade in Shares in order to be eligible to receive the AEL Distribution Shares (note 4)	Tuesday, 4 January 2022
Arden Capital shares suspended on JSE trading system	Wednesday, 5 January 2022
Arden Unbundling Record Date (note 4)	Friday, 7 January 2022
Dematerialised Shareholders' accounts with their CSDP or Broker credited with the AEL Distribution Shares on or about	Monday, 10 January 2022
Certificated Shareholders' AEL Distribution Shares posted by registered post at the risk of such Certificated Shareholders on or about	Monday, 10 January 2022
Termination of Arden Capital shares on the JSE	Tuesday, 11 January 2022
Appointment of Liquidator and placement of Company into liquidation	Tuesday, 1 February 2022

### Notes:

1. All times indicated above are GMT+4.
2. The above dates and times are subject to amendment by the Company. Any such amendment will be released on SENS and, if required, in the press.
3. Forms of Proxy may also be handed to the Chairman at the commencement of the Special Meeting.
4. Shareholders may not dematerialise or rematerialise their Shares between any date which is a last day to trade and a Record Date for both the Unbundling Record Date and Record Date pertaining to the Special Meeting.
5. The date/(s) assume that all conditions precedent as set out in paragraphs 5 of the Circular has been met at the time of the Special Meeting. Some conditions precedent may not be within the control of the Company and may therefore result in a change in the dates noted above.

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## ACTION REQUIRED

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The definitions and interpretations commencing on page 8 apply, *mutatis mutandis*, to this section and throughout this Circular.

### **Please take careful note of the following provisions regarding the actions required by Shareholders:**

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

If you have disposed of all your Shares, this Circular should be handed to the purchaser of such Shares, or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.

This Circular contains important information relating to the Proposed Transaction. The Arden Unbundling is a *pro rata* unbundling by Arden of its entire shareholding in AEL to Shareholders by way of a Board distribution in terms of section 61 of the Mauritius Companies Act. The AEL Distribution Shares will be distributed to Shareholders in the Distribution Ratio of 1 AEL Distribution Share for every 1 Share held in Arden at the Arden Unbundling Record Date.

### **Special Meeting**

As a result of the impact of the Covid-19 pandemic and the restrictions placed on public gatherings, Shareholders are advised that the Special Meeting will be held in electronic format only.

Shareholders are invited to attend the Special Meeting, convened in terms of the notice of Special Meeting incorporated in this Circular, which will only be accessible through electronic attendance, as permitted by the JSE, the provisions of the Mauritius Companies Act and Arden's Constitution at 10:00 on Monday, 20 December 2021 or at any other adjourned or postponed date and time determined in accordance with the provisions of the Mauritius Companies Act and the Listings Requirements, for purposes of considering and, if deemed fit, passing, with or without modification, the Resolutions.

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

### **Attendance and Voting at the Special Meeting**

#### **1. Electronic Attendance and Participation**

**As a consequence of the impact of the Covid-19 pandemic and the restrictions placed on public gatherings, Arden will conduct the Special Meeting by way of electronic attendance only.**

The Special Meeting will be held at 10:00 on Monday, 20 December 2021. Arden has retained the services of Adansonia Management Services Limited to host the Special Meeting on an interactive electronic platform, in order to facilitate electronic attendance by Shareholders.

Shareholders are encouraged to connect to the Special Meeting through Starleaf. The meeting ID will be distributed on SENS prior to the Special Meeting date.

In person registration of Special Meeting participants will not be carried out at the registered office of Arden.

Shareholders will be liable for their own network charges in relation to electronic attendance at the Special Meeting. Any such charges will not be for the account of the JSE, Arden, the Transfer Secretaries or any other Company advisor or service provider. None of the JSE, Arden or the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failures due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the Special Meeting.

## **Voting at the Special Meeting**

Shareholders connecting to the Special Meeting will be able to attend the Special Meeting electronically. Voting will only be conducted by the submission of a form of proxy, indicating Shareholders' voting preferences, prior to the Special Meeting.

Shareholders are encouraged to submit any questions to Arden's Company Secretary, Adansonia Management Services Limited at [zain.madarun@adansoniamanagement.com](mailto:zain.madarun@adansoniamanagement.com) or [investorrelations@arden-capital.com](mailto:investorrelations@arden-capital.com). These questions will be addressed at the Special Meeting and will also be responded to through email.

All eligible Shareholders will be entitled to electronically attend the Special Meeting and vote (or abstain from voting) via a form of proxy on the Resolutions.

Shareholders who are participating by proxy at the Special Meeting shall have 1 vote for every Share held or represented.

## **2. Certificated Shareholders and Dematerialised Shareholders with Own-name Registration**

Certificated Shareholders and Dematerialised Shareholders with Own-name Registration, who are unable to attend the Special Meeting but who wish to be represented thereat, are requested to complete and return the attached Form of Proxy in accordance with the instructions contained therein. It is requested that the duly completed Forms of Proxy in respect of the Special Meeting be received by the Transfer Secretaries by no later than 10:00 on Wednesday, 15 December 2021 or they may be handed to the Chairman of the Special Meeting at the commencement of the Special Meeting.

### **Certificated Shareholders**

If you hold a certificate for your Shares, you are a Certificated Shareholder. If you have lost your share certificate, but you know that your Shares are held in the form of a certificate, you are also a Certificated Shareholder.

## **3. Dematerialised Shareholders (without Own-name Registration)**

Dematerialised Shareholders who wish to attend the Special Meeting must instruct their CSDP or Broker timeously in order that such CSDP or Broker may issue them with the necessary letter of representation or equivalent authority to attend.

Dematerialised Shareholders who do not wish to attend the Special Meeting, must provide their CSDP or Broker with their instruction for voting as a Shareholder at the Special Meeting in the manner stipulated in the agreement between the Shareholder concerned and the CSDP or Broker governing the relationship between such Shareholder and his CSDP or Broker. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.

## **4. Identification**

All Special Meeting participants will be required to provide identification reasonably satisfactory to the Chairman of the Special Meeting, who must be reasonably satisfied that the right of that person to attend, participate in and vote at the Special Meeting as a Shareholder, as a proxy or as a representative of a Shareholder, has been reasonably verified. Acceptable forms of identification include valid and original drivers' licenses, identity documents and passports.

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## DEFINITIONS AND INTERPRETATIONS

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

<b>“AEL”</b>	Arden Enterprises Limited (registration number 181641GBL), a public company duly registered and incorporated under the laws of the Republic of Mauritius with a Category 1 Global Business License, and a wholly-owned subsidiary of the Company through which the Group holds its investments.
<b>“AEL Distribution Shares”</b>	all the AEL shares held by Arden as recorded in the Register of AEL on the Arden Unbundling Record Date, constituting 117 266 523 AEL Shares, and which are to be distributed to Arden Shareholders on a pro rata basis;
<b>“African Sun”</b>	African Sun Limited, a public company duly incorporated and registered in accordance with the laws of the Republic of Zimbabwe with registration number 643/1971, listed on the Zimbabwe Stock Exchange in the Hospitality sector of the list, and a Major Subsidiary;
<b>“Arden” or “Arden Capital” or “the Company”</b>	Arden Capital Limited (registration number 115883C1/GBL), a public company duly registered and incorporated under the laws of the Republic of Mauritius with a Category 1 Global Business license which operates as an investment holding company, and which is listed on the Main Board on the JSE;
<b>“Arden Unbundling” or “Unbundling”</b>	the transfer of all of the AEL Distribution Shares from Arden to the Shareholders registered as such on the Arden Unbundling Record Date in accordance with the Distribution Ratio, by way of a dividend in specie in terms of section 61 of the Mauritius Companies Act;
<b>“Arden Unbundling Resolution”</b>	the ordinary resolution of Shareholders required to approve the Arden Unbundling which is inter-conditional with the approval of the Reduction of Stated Capital Resolution and Voluntary Liquidation Resolution;
<b>“Arden Unbundling Record Date” or “Unbundling Record Date”</b>	the date on which Shareholders must be recorded in the Share register in order to receive AEL Distribution Shares pursuant to the Arden Unbundling, and which date will be Friday, 7 January 2022 or such later date as may be announced on SENS;
<b>“Authorised Dealer”</b>	a person authorised to deal in foreign exchange as contemplated in the South African Exchange Control Regulations;
<b>“Board” or “Directors”</b>	the board of directors of Arden whose details are set out in the “Corporate Information” section;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or a public holiday in South Africa or Mauritius;
<b>“Broker”</b>	any person registered as a “broking member (equities)” in accordance with the provisions of the FMA;
<b>“Certificated Shareholder”</b>	a holder of Certificated Shares;
<b>“Certificated Shares”</b>	shares which are not Dematerialised, title to which is represented by physical documents of title;
<b>“Circular”</b>	this document, dated Thursday, 18 November 2021, incorporating a notice of Special Meeting and a Form of Proxy;

<b>“CMA”</b>	the Common Monetary Area which links South Africa, Namibia, Lesotho and Eswatini into a monetary union;
<b>“Companies Act”</b>	the Mauritian Companies Act, 2001;
<b>“Companies Office”</b>	the Government of Mauritius Corporate and Business Registration operating in terms of the Republic of Mauritius Companies Act, No. 15 of 2001, as amended from time to time;
<b>“Constitution” or “Arden Constitution”</b>	the constitutional document of Arden, as adopted by Shareholders on 1 June 2017, as amended through a shareholders’ resolution passed on 13 September 2019;
<b>“CSDP”</b>	a Central Securities Depository Participant, accepted as a participant in terms of the FMA, as amended, appointed by an individual Shareholder for the purposes of, and in regard to the dematerialisation of documents of title for purposes of incorporation into Strate;
<b>“Custody Agreement”</b>	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker governing their relationship in respect of Dematerialised Shares held by the CSDP or Broker;
<b>“Dawn”</b>	Dawn Properties Limited (registration number 9363/2003), a public company duly registered and incorporated under the laws of the Republic of Zimbabwe, and a subsidiary of African Sun;
<b>“Dematerialised Shareholder”</b>	a holder of Dematerialised Shares;
<b>“Dematerialised Shares”</b>	shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
<b>“Distribution Ratio”</b>	the ratio of 1 ordinary AEL share for every 1 ordinary Share held in Arden on the Arden Unbundling Record Date;
<b>“EPS”</b>	earnings per share;
<b>“Exchange Control Regulations”</b>	the South African Exchange Control Regulations, promulgated in terms of the South African Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended;
<b>“Form of Proxy”</b>	the proxy form annexed to this Circular which entitles the Shareholders to appoint a proxy to vote on their behalf on the Resolutions contained in the notice of the Special Meeting;
<b>“FMA”</b>	the Financial Markets Act, 2012 (Act 19 of 2012);
<b>“FML”</b>	FML Logistics (Private) Limited (registration number 14611/2003), a private company duly registered and incorporated under the laws of the Republic of Zimbabwe;
<b>“Group”</b>	Arden and its subsidiaries, from time to time;
<b>“HEPS”</b>	headline earnings per share;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“JSE”</b>	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated under the laws of South Africa and licensed as an exchange under the FMA, as amended;

<b>“Last Practicable Date”</b>	Friday, 5 November 2021, being the last practicable date prior to the finalisation of this Circular;
<b>“Listings Requirements”</b>	the listings requirements of the JSE, as amended from time to time;
<b>“Major Subsidiary”</b>	major subsidiaries of Arden as defined in the Listings Requirements, meaning a subsidiary that represents 25% or more of the total assets or revenue of the consolidated Group, being AEL, Brainworks Capital Management (Private) Limited, and African Sun;
<b>“NAV”</b>	net asset value;
<b>“Non-Resident Shareholders”</b>	a Shareholder who is not considered to be an ordinary resident in South Africa in terms of the Exchange Control Regulations;
<b>“Ordinary Shares” or “Shares”</b>	Arden ordinary no par value shares;
<b>“Own-name Registration”</b>	Dematerialised Shareholders who have registered their Shares in their own name with a CSDP;
<b>“Proposed Transaction”</b>	collectively, the Arden Unbundling, the Reduction of Stated Capital and the Voluntary Liquidation;
<b>“Questco” or “Transaction Sponsor”</b>	Questco Corporate Advisory Proprietary Limited (registration number 2011/106751/07), a private company registered in South Africa, full details of which are set out in the Corporate Information section of this Circular;
<b>“Rand” or “R”</b>	South African Rand, the official currency of South Africa;
<b>“RBZ”</b>	The Reserve Bank of Zimbabwe;
<b>“Reduction of Stated Capital”</b>	the Reduction of Stated Capital of the Company by USD72 000 000 and a corresponding increase in Retained Earnings, in terms of clause 6 of the Constitution and section 105 (1)(b) of the Companies Act;
<b>“Reduction of Stated Capital Resolution”</b>	the special resolution of Shareholders required to approve the reduction of Stated Capital to the value by USD72 000 000 and a corresponding increase to Retained Earnings, which is inter-conditional with the approval of the Arden Unbundling Resolution and Voluntary Liquidation Resolution;
<b>“Resolutions”</b>	collectively, the Arden Unbundling Resolution, Reduction of Stated Capital Resolution and the Voluntary Liquidation Resolution;
<b>“SARB”</b>	the South African Reserve Bank;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“Shareholders”</b>	holders of Ordinary Shares;
<b>“South Africa”</b>	the Republic of South Africa;

<b>“Special Meeting”</b>	the Special Meeting of Shareholders to be held electronically at 10:00 (GMT+4) on Monday, 20 December 2021, which meeting is convened in terms of the notice of Special Meeting incorporated herein;
<b>“Stated Capital”</b>	the accumulated stated capital of Arden as at the Arden Unbundling Record Date;
<b>“Strate”</b>	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (registration number 1998/022242/07), a private company duly registered and incorporated under the laws of South Africa;
<b>“Transfer Secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated under the laws of South Africa;
<b>“USD” or “US\$”</b>	United States of America Dollar;
<b>“Voluntary Liquidation”</b>	the voluntary liquidation of Arden proposed to shareholders in accordance with paragraph 3.85(i) of the Listings Requirements and paragraph 105(1)(e) of the Companies Act, which will result in the cancellation and delisting of Arden Shares on the JSE;
<b>“Voluntary Liquidation Resolution”</b>	the special resolution of Shareholders required to approve the Voluntary Liquidation of the Company in terms of section 105 (1) (e) of the Companies Act which is inter-conditional with the approval of the Arden Unbundling Resolution and Reduction of Stated Capital Resolution;
<b>“ZAR” or “R”</b>	South African Rand; and
<b>“ZSE”</b>	Zimbabwe Stock Exchange.



# ARDEN CAPITAL

(Incorporated in the Republic of Mauritius)

(Registration number 115883 C1/GBL)

Share code: ACZ

ISIN: MU0548S00026

("the Company" or "Arden Capital")

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## CIRCULAR TO ARDEN CAPITAL SHAREHOLDERS

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

#### 1.1. Introduction and rationale

Shareholders are referred to the announcements released on SENS by Arden on Thursday, 24 June 2021 wherein Arden announced that, following a review of its prospects, its cash flows, and its financial health, the Directors were conducting a strategic review of the Company. Shareholders are further referred to the announcement released on SENS by Arden on Monday, 15 November 2021 wherein shareholders were advised that the Arden Board has now resolved to propose to Shareholders a Voluntary Liquidation of the Company.

The Company was originally established as a listed investment company through which Shareholders could gain exposure to various investment sectors with a focus on investing in Zimbabwe.

The Group's listing was aimed at achieving:

- a) liquidity for its Shareholders by providing them with a tradeable instrument on an internationally recognised exchange and;
- b) providing the Company with a platform through which to raise future funding for the ongoing growth of its portfolio.

The Company has, from the outset of listing, struggled to achieve liquidity for its Shareholders and the Company's share remains highly illiquid on the JSE. The Company has also not managed to attract any additional capital as a result of its JSE listing and has not managed to grow its portfolio. In fact, Arden Capital has over the past few years exited a number of its investments and the Company now only has the following remaining investments, which are now held through AEL, a wholly-owned subsidiary of the Company:

- a 62.76% investment in African Sun, being a real estate and hospitality group, which is itself listed on the ZSE, and comprising substantially all of the Group's value; and
- a 100% shareholding in FML, whose revenues and assets are insignificant to the Group as a whole and which is the subject of a sale agreement already concluded.

Accordingly, the listing has not provided the Company, and therefore Shareholders, with the benefits the Board had hoped to achieve on listing, hence the core purpose of Arden Capital is now redundant.

The business case for Shareholders to hold shares in Arden Capital is no longer sensible, with the investment vehicle structure eroding value for Shareholders through unnecessary significant head office and listing costs.

As a result of the ongoing erosion of value for Shareholders, now coupled with the losses experienced by the Group as a result of the Covid-19 pandemic thereby placing the Company in severe financial difficulties, the Board is proposing that Shareholders consider and approve a Voluntary Liquidation of the Company. This is after exhausting all other avenues of seeking further investment from Shareholders.

In anticipation of the Voluntary Liquidation, the Board will propose the Unbundling of all the issued shares held in AEL to Shareholders as a first step towards an orderly wind-up of the Company's affairs prior to the Voluntary Liquidation.

In order to enable the Unbundling, in terms of article 16.1.1 of the Constitution and in accordance with section 63 of the Mauritius Companies Act, a dividend may only be declared out of accumulated profits. Accordingly, the Board proposes Shareholders approve a reduction of the Arden Stated Capital to transfer the remaining Stated Capital balance to the Retained Earnings to enable the declaration of the Unbundling.

Shareholders will continue to have exposure to African Sun and FML through AEL. The Company has however concluded a sale agreement for its 100% shareholding in FML, which proceeds will go towards defraying the Company's liquidation costs, settlement of Group debt and other creditors. As at the date of publication of this Circular, the sale of FML is pending the completion of conditions precedent. Should the sale of FML be implemented, Shareholders' only remaining exposure will be in African Sun.

In considering the interests of Shareholders, and specifically those of the Company's minority Shareholders, the following factors are noted and have been taken into consideration by the Board:

**Value preservation is for the benefit of all Shareholders equally, and does not favour any particular Shareholder groupings**

It should be noted from the outset that the corporate action being proposed is to preserve Shareholder value and is considered to be the only remaining option available to the Company. In the Board's consideration of what is best for the Company, the assessment expands to what is best for all Shareholders, as all Shareholders have the same vested interests. No particular Shareholder's interest was considered over and above any other Shareholders' interests.

The Board is of the view that the benefits of the current listing structure do not outweigh the costs. The current Arden Capital, incorporated purely to function as a listed investment holding company, results in a significant amount of value leakage for Shareholders with no real benefits achieved from the Company's existence. The lack of benefits achieved from the listing is explained in the Circular.

A continued existence will result in the Company continuing to accrue costs and liabilities that it has no means of settling. This could result in creditors placing the Company into liquidation and the Board would rather take action while there is still value for Shareholders remaining after its liquidation.

Value preservation is a key factor for all Shareholders, including minority Shareholders, and the Board is of the view that this is the only remaining option available to it to ensure value preservation for all Shareholders.

**Reduced liquidity on unlisted shares**

The Board has considered the fact that Shareholders will enjoy reduced liquidity on their unlisted AEL shares versus listed Company Shares. The Board however believes that the Arden Shares have not enjoyed any real liquidity on the exchange (the Company Share has traded 9 794 Shares in the last year, representing approximately 0.01% of its total issued Shares) and that the benefits of value preservation outweigh perceived liquidity.

**Approval threshold for the Unbundling and Voluntary Liquidation**

By virtue of the fact that the Resolutions are inter-conditional, the effective voting threshold is at least a 75% approval requirement, and therefore cannot merely be approved by the Company's controlling Shareholder(s). This emphasizes the fact that the Proposed Transaction cannot proceed without the support of the necessary threshold of minority Shareholders in the Company.

**1.2. Removal from the JSE's list**

Should the Proposed Transaction be approved by shareholders, the Company will make an application to the JSE under paragraph 11.33 of the JSE Listings Requirements for a removal of the Company from the JSE's list with effect from Tuesday, 11 January 2022.

### 1.3. Shareholder approval requirements

In terms of article 13.7 of the Constitution, paragraph 5.85(c) of the JSE Listing requirements and section 61 of the Companies Act, the Unbundling requires the approval of shareholders through an ordinary resolution, requiring the approval of more than 50% of Shareholders present or represented by proxy and entitled to vote at the Special Meeting. Although the Unbundling constitutes a major transaction in terms of section 130 of the Companies Act, section 130 does not apply to the Company, being an investment holding company, in terms of the exemption offered in section 130(8) of the Companies Act.

The Reduction of Stated Capital Resolution requires the approval by way of a special resolution, comprising at least 75% of the Shareholders present or represented by proxy and entitled to vote under paragraph 105(1)(d) of the Companies Act.

In addition to the above, the Voluntary Liquidation requires the approval of at least 75% through a special resolution of the Shareholders present or represented by proxy and entitled to vote under paragraph 105(1)(e) of the Companies Act.

The Special Meeting is convened in terms of the notice of Special Meeting forming part of this Circular, in order for Shareholders to consider and, if deemed fit, pass the Resolutions necessary to give effect to the Stated Capital Reduction, Arden Unbundling and Voluntary Liquidation.

### 1.4. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Transaction to enable them to make an informed decision, and to give notice of the Special Meeting in order for Shareholders to consider and, if deemed fit, to pass the Resolutions necessary to approve the Proposed Transaction in accordance with the Listing Requirements and the Companies Act.

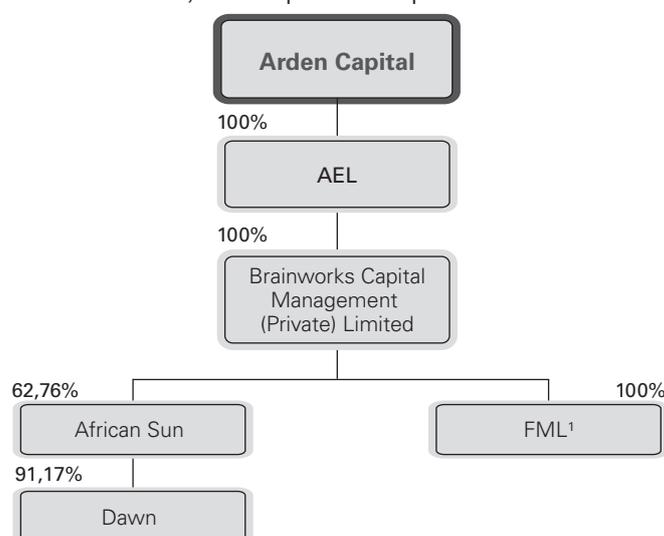
A notice convening the Special Meeting is attached to, and forms part of, this Circular.

Shareholders are advised to familiarise themselves with the contents of this Circular and to seek independent advice in relation thereto, as may be required.

## 2. INFORMATION RELATING TO ARDEN

Arden Capital Limited is an investment holding company which engages in hospitality, real estate, and logistics businesses through its two subsidiaries, African Sun and FML<sup>1</sup>.

The Group's investments are held through AEL, an intermediate investment holding company registered and incorporated in Mauritius. As at the Last Practicable Date, the Group's ownership structure is as follows:



The only three operating subsidiaries comprise of African Sun, Dawn and FML<sup>1</sup>.

<sup>1</sup>The Company has concluded a sale agreement for the sale of 100% of the shares in FML, which as at the date of this Circular is pending implementation on completion of various conditions precedent.

African Sun operates hotels in Zimbabwe and following its acquisition of Dawn in a transaction that was consummated in 2020, also has a property holding, development, and consulting segment. African Sun is listed on the ZSE.

FML offers road transportation of bulk petroleum products, mainly to Zambia and the Democratic Republic of Congo.

For more detailed information on the Group, its operations and its performance, Shareholders are referred to the Arden Annual Integrated Report, which is incorporated by reference in terms of paragraph 20 below.

### **3. PROSPECTS OF THE GROUP**

With the Group's business being predominantly tourism and hospitality focused, the Covid-19 pandemic represents the most significant challenge that the Group's industry has ever faced. The pandemic, which resulted in suspension of international travel activities and lockdowns in 2020 and 2021, is expected to continue constraining recovery of the hospitality sector in Zimbabwe and across the world in 2022.

According to the latest issue of the United Nations World Travel and Tourism Organisation ("UNTWO"), international tourist arrivals (overnight visitors) fell by 74% in 2020 compared to the same period in 2019, driven by slow virus containment, low traveller confidence and important restrictions on travel still in place, due to the Covid-19 pandemic. UNTWO observed that the decline in 2020 represented 1 billion fewer international tourist arrivals compared to the same period in 2019 and translated into a loss of US\$1.3 trillion in export revenues from international tourism, more than 11 times the loss in 2009 under the impact of the global economic crisis. This plunge in international tourism resulted in an estimated economic loss of over US\$2 trillion in global Gross Domestic Product ("GDP"), more than 2% of the world's GDP in 2019. The International Monetary Fund ("IMF"), projects that receipts worldwide are not expected to recover to 2019 levels before 2023.

The Group recorded a historic low occupancy of 23% for 2020, an unprecedented decline of 25 percentage points from 48% recorded in 2019. The 2020 prospects were adversely impacted by the global outbreak which brought travel and tourism to a standstill following the introduction of strict national lockdown protocols generally across the globe, and on 30 March 2020 in Zimbabwe in particular. As a consequence, the Group's operations were severely affected.

The Group has not yet witnessed the recovery in travelling and tourism that it had hoped 2021 would yield to the point that the Company is now under severe financial constraints and its operations have become unsustainable in its current format.

As Arden Capital will be liquidated following the Unbundling and Voluntary Liquidation being proposed in this Circular, the Board is of the view that the Company has no future prospects.

The Board however believes that African Sun's, with its stronger unleveraged balance sheet buoyed by the successful acquisition of Dawn, is now better positioned than before to be able to access funding to both improve the current hospitality assets under its operations, and pursue growth opportunities within the hospitality industry in Zimbabwe to retain its position as one of the leading hospitality groups in Zimbabwe.

Shareholders are referred to the latest information available regarding the financial position of the Group published on the Company's website that comprises of the financial results for the six months ended 30 June 2021, and which is incorporated by references in terms of paragraph 20 below.

### **4. ARDEN UNBUNDLING AND LIQUIDATION TERMS AND MECHANICS**

Subject to the fulfilment or waiver of the conditions Precedent set out in paragraph 5, the Unbundling will be implemented immediately prior to the Company being placed into Voluntary Liquidation and the appointment of the liquidator, as a step towards an orderly wind-up of the Company's affairs.

The Unbundling will constitute the distribution of 117 266 523 AEL ordinary shares by way of a distribution *in specie* in terms of section 61 of the Mauritius Companies Act on a pro rata basis according to the Distribution Ratio.

The Unbundling will result in Shareholders holding a direct equity interest in AEL rather than holding that interest through Arden Capital. AEL itself would hold investments in Zimbabwe that had hitherto been held by the Company.

The Unbundling will be effected in terms of the Distribution Ratio of 1 AEL ordinary share for every 1 ordinary Share held on the Unbundling Record Date. This means that every 1 ordinary Share held in Arden Capital on the Unbundling Record Date will entitle a shareholder to 1 AEL ordinary share.

The Unbundling will occur in accordance with the timetable set out under the section headed 'Salient Dates and Times' section. The Voluntary Liquidation will follow as soon as possible subsequent to the Unbundling, having due regard to the administrative process involved in the liquidation of a juristic person.

#### **4.1. Corporate approvals required**

The Arden Board has passed the necessary board resolution required in terms of section 61 of the Mauritius Companies Act for the Unbundling, and have confirmed, inter alia, that after the implementation of the Unbundling, Arden will meet the solvency test contemplated in section 61 of the Mauritius Companies Act, as applicable.

#### **4.2. Procedure for the implementation of the Unbundling**

For purposes of the Unbundling, Shareholders will receive their respective AEL Distribution Shares in certificated form only unless specific arrangements have been made with the Company for the dematerialised form.

Should a Certificated Shareholder not appoint a CSDP or Broker to receive AEL Distribution Shares on its behalf, such Certificated Shareholder will be issued with a statement of allocation representing its AEL Distribution Shares by the Transfer Secretaries. Such Certificated Shareholder can instruct the Transfer Secretaries to transfer its AEL Distribution Shares represented in the statement of allocation to its appointed CSDP or Broker or can instruct the Transfer Secretaries to issue it with a share certificate in respect of its AEL Distribution Shares, at any time following the Unbundling.

If a Shareholder is in any doubt as to what action it should take, they should consult their Broker, CSDP, banker, attorney or other professional advisor.

#### **4.3. Governing law and jurisdiction**

The Proposed Transaction will be governed by, and construed in accordance with, the laws of Mauritius.

Each Shareholder shall be deemed to have irrevocably submitted to the exclusive jurisdiction of the courts of Mauritius in relation to matters arising out of or in connection with the Unbundling and Voluntary Liquidation.

#### **4.4. Fractional entitlements**

No fractional entitlements should arise pursuant to the Unbundling, given the Distribution Ratio being on a 1:1 ratio.

### **5. CONDITIONS PRECEDENT**

The Proposed Transaction is subject to the following conditions precedent being met by no later than 17 January 2022:

- a) the fulfilment, of the passing by the requisite majority of Shareholders of the Resolutions approving the Proposed Transaction; and
- b) the Company obtaining approval from the Reserve Bank of Zimbabwe for the Proposed Transaction, as required.

### **6. PROFORMA FINANCIAL EFFECTS STATEMENT**

The Reduction of Stated Capital will have no impact on the EPS, HEPS, NAV and TNAV of the Company.

Immediately after the Unbundling and the Voluntary Liquidation (which is inter-conditional), Arden Capital will have no assets and liabilities remaining and will be wound up and become deregistered. The effect of this is that the EPS, HEPS, NAV and TNAV of the Company would reduce to zero, as the Company would cease to exist.

The above statement is the responsibility of the Board and has not been reviewed or reported on by the Company's auditors.

## 7. TAXATION CONSIDERATIONS RELATING TO THE UNBUNDLING AND VOLUNTARY LIQUIDATION

Neither the Unbuilding nor the Voluntary Liquidation has any income tax consequences for the Company.

The Unbundling will be a distribution in terms of section 116D of the Mauritius Income Tax Act to Shareholders therefore qualifying as a dividend for Shareholders.

The Distribution is to be declared entirely from retained earnings and is therefore a dividend in terms of the Mauritian Income Tax Act.

The Distribution may have different tax implications for Shareholders that have tax residency in different jurisdictions. Shareholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the action they should take.

## 8. MAJOR SHAREHOLDERS

As at the Last Practicable Date, the following Shareholders held a direct beneficial, interest of 5% or more of the issued Shares of the Company.

Name of Shareholder	Number of shares	Percentage held (%)
JPMBLSA Re Private Bank account	69 014 502	58.85
SG Nantes Global Securities	11 537 349	9.84
Fintrust Pension Fund	11 884 737	10.3
Adcone Holdings SA (treasury Shares)	7 775 000	6.63
<b>Total</b>	<b>100 211 588</b>	<b>85.45</b>

## 9. DIRECTORS INFORMATION

### 9.1. Directors' interests in Arden securities

As at the Last Practicable Date, the Directors, including directors that have resigned in the previous 18 months, and their associates, beneficially held directly and indirectly, the following interests in the Company.

	Direct beneficial interest	Indirect beneficial interest	Total	Percentage held (%)
<b>Non-Executive Director</b>				
Simon F. Village	-	989 926	<b>989 926</b>	0.84
Richard G. Muirimi	1 000 000	-	<b>1 000 000</b>	0.85
George S.J. Bennet	-	200 000	<b>200 000</b>	0.17
Audrey M. Mothupi	25 000	-	<b>25 000</b>	0.02
<b>Total held by current Directors</b>	<b>1 025 000</b>	<b>1 189 926</b>	<b>2 214 926</b>	<b>1.88</b>

There were no other changes in the disclosed directors' interest between the last reporting date and the Last Practicable Date.

No Directors hold any direct interests in AEL.

### 9.2. Directors and past directors' interests in transactions

Other than as set out in paragraph 9.1 above, no Director or associate of any Director has had any material beneficial interest in any transaction set out in this Circular, or other transaction implemented during the current or preceding financial year, or in any transaction concluded that remains outstanding or underperformed at the Last Practicable Date.

### **9.3. Directors' remuneration**

There will be no variation in the Directors' remuneration as a consequence of the Proposed Transaction, it being noted that the Directors' appointments to the Company will effectively be terminated on the date of Voluntary Liquidation of the Company.

### **9.4. Board composition**

There will be no variation in the composition of the Board or the directors of any Major Subsidiaries as a consequence of the Proposed Transaction.

## **10. SHARE HISTORY**

Annexure 2 to this Circular contains the aggregate volume and value of Arden Shares traded on the JSE, as well as the highest and lowest traded prices for each trading day during the 30-day period ended on the Last Practicable Date; and for the 12 months preceding the Last Practical Date.

## **11. MATERIAL LOANS**

- 11.1. As at the Last Practicable Date, the Company has third-party debt comprising of US\$200 000, accruing interest at a rate equal to the six months USD SOFR + 8% per annum.
- 11.2. It should be noted that all the Group's liabilities and obligations have been assumed by AEL and therefore there will be no change to the liabilities which shareholders currently have exposure to following the Proposed Transaction.

## **12. MATERIAL CONTRACTS**

- 12.1. Shareholders are referred to an announcement released by the Company on SENS on 22 September 2020 wherein Shareholders were advised that African Sun and Dawn entered into an agreement to give effect to the acquisition of Dawn by African Sun. The SENS announcement contains full details of the merger, which SENS announcement is incorporated by reference into this Circular in terms of paragraph 20 of this Circular.
- 12.2. Shareholders are further referred to the announcement released by the Company on SENS on 15 November 2021 advising Shareholders of the sale agreement concluded for the sale of FML to a third party unrelated to the Group, which SENS announcement is incorporated by reference into this Circular in terms of paragraph 20 of this Circular.
- 12.3. Other than as set out above, neither Arden, African Sun nor any other Major Subsidiaries have entered into any contract that is material to the Company, otherwise than in the ordinary course of business, or which is considered a restrictive funding arrangement, in the two years preceding the Last Practicable Date, or at any time which contains an obligation or settlement that is material to the Company at the Last Practicable Date.
  - 12.2.1. Other than for the Directors' service contracts, the Group has not entered into any contracts relating to the Directors' and managerial remuneration, secretarial and technical fees or restraint payments of any nature.

## **13. MATERIAL CHANGES**

- 13.1. Subsequent to its last financial year end, the Company undertook internal reorganisation whereby all of its assets and liabilities specifically, its equity investment in Brainworks Capital Management (Private) Limited (a wholly owned subsidiary), was transferred to AEL (also a wholly owned subsidiary). This was an intra group transaction between the Company and its wholly owned subsidiaries. The Company also concluded a sale agreement for the disposal of FML.
- 13.2. Other than as set out above, there has been no material change in the financial or trading position of the Company between the end of the last financial period for which financial statements has been distributed, being the year ended, 31 December 2020 and the Last Practicable Date, other than the fact that the Company's cash burn rate has continued unsustainably. Therefore, the Company's financial position has continued to experience significant strain.

## **14. LITIGATION STATEMENT**

- 14.1. The Group is currently still undergoing court processes defending tax claims with the Zimbabwe Revenue Authority, amounting to an estimated US\$0.24 million. This could have a significant impact on both earnings and liquidity should the Group fail to succeed. A team of highly experienced external legal counsel has been assembled to argue the Group's case in the courts.
- 14.2. In 2015, Legacy Hospitality Management Services Limited ("Legacy") and African Sun executed a hotel management agreement wherein Legacy was appointed on an exclusive basis for the duration of the agreements to render management services for African Sun with respect to the following hotels; Monomotapa Harare, Elephant Hills Resort and Conference Centre, Hwange Safari Lodge, Troutbeck Resort and The Kingdom at Victoria Falls Hotel. African Sun made an application to the RBZ to have the Legacy management contract renewed and to obtain the necessary exchange control approval to facilitate payment to Legacy. In a letter dated 13 March 2018, the application for renewal of the management contract at the presented fee structure was denied and despite numerous efforts by African Sun, Legacy failed to agree to proposed new management terms. As a consequence, African Sun gave notice that the failure by the parties to align the fees with the RBZ's directive amounted to supervening impossibility of performance as African Sun could not continue to make payments without RBZ approval. The management contract was declared void. Legacy disputed the notice to terminate and the matter proceeded to arbitration in Zimbabwe on 27 February 2019. The Arbitrator handed down a ruling in April 2019 in favour of African Sun. Legacy lodged an appeal and the arbitral ruling was upheld by the High Court. A further appeal was heard before the Supreme Court of Zimbabwe on 9 September 2021 and judgement was reserved. African Sun maintains that it has high prospects of success.
- 14.3. In addition to the above, in August 2020, Legacy instituted arbitration proceedings for outstanding (historical) management fees and related services up to 27 April 2019 for an amount of USD\$4.8 million and R1.5m respectively. African Sun is defending the claim. An arbitrator was appointed in April 2021 and the matter is ongoing.
- 14.4. Apart from the matters outlined above, there are no other legal or arbitration proceedings, pending or threatened, of which Arden is aware, that may have or have had, in the 12 months preceding the date of this Circular, a material effect on the financial position of the Group.

## **15. EXCHANGE CONTROL REGULATIONS**

- 15.1. Shareholders who are uncertain as to the impact of the South African Exchange Control Regulations and/or the Zimbabwe Exchange Control Regulations should consult their independent professional advisors.
- 15.2. Arden has obtained approval from the SARB for the Unbundling and the delisting of Arden Shares on the JSE pursuant to the Voluntary Liquidation, whilst the same from the RBZ is pending and remains a condition precedent to the Proposed Transaction.
- 15.3. It should be noted that the SARB has referred any qualifying South African Shareholders who hold shares in AEL to denote such investment against their foreign investment allowance.
- 15.4. Any other South African Shareholders (including, inter alia, corporates, partnerships and trusts), will be required to sell their shares in AEL, with the sale proceeds repatriated to South Africa within a period of 12 months from the date of delisting of Arden on the JSE.
- 15.5. Arden will not be responsible for obtaining any Exchange Control Regulations consents or extensions required by Shareholders.
- 15.6. Shareholders will need to comply with the SARB Exchange Control Regulations set out in Annexure 3 to this Circular.
- 15.7. If Shareholders are in any doubt as to what action to take, they should consult their professional advisers.

## 16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in the "Corporate Information" section, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by the Listings Requirements.

## 17. DIRECTORS' OPINION IN RESPECT OF THE UNBUNDLING AND WIND-UP

All the Directors entitled to vote at the Special Meeting intend to vote in favour of the Arden Unbundling and Voluntary Liquidation in respect of their shareholdings and all the Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions contained herein.

## 18. EXPERTS' CONSENTS

The Transaction Sponsor, Legal Advisor, proposed Liquidator and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and have not, prior to the publication of this Circular, withdrawn their consents.

## 19. ESTIMATED EXPENSES

- 19.1. The total estimated costs, excluding South African VAT, where applicable, relating to the Proposed Transaction are detailed in the table below:

Nature of expense	Paid/payable to	R
Transaction Sponsor	Questco	700 000
Transfer Secretaries fees	Computershare	34 400
Legal Advisor	Eversheds Sutherland	98 150 <sup>1</sup>
Printing and publication fees	Nextpage Concepts	70,000
Exchange control approval	Standard Bank	2 500
Documentation fees	JSE	62 903
Liquidator fees	Oosman Insolvency Practice	60 400 <sup>2</sup>
Contingency	Various	10 000
<b>Total</b>		<b>1 038 353</b>

<sup>1</sup> Eversheds Sutherland fee of USD6500 converted at 15.10 to the South African Rand

<sup>2</sup> Oosman Insolvency Practice fee of USD4000 converted at 15.10 to the South African Rand

- 19.2. Given that the Company has limited internal cash resources, the above transaction expenses will be funded by an unsecured loan granted to the Company by a material shareholder. The agreement is concluded on commercial terms and therefore falls within the exemptions granted by section 10.6(c)(i) of the JSE Listings Requirements.

- 19.3. Other than set out above, Arden has not incurred any preliminary expenses in relation to the Proposed Transaction during the three years preceding the Last Practicable Date.

## 20. DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into this Circular:

Document name	Link
SENS announcement dated 15 November 2021 – FML Sale	<a href="https://irhosted.profiledata.co.za/ArdenCapital/2019_feeds/N03_sens.aspx?month1=Apr&amp;year1=2020&amp;month2=Jul&amp;year2=2021&amp;submit=SUBMIT#">https://irhosted.profiledata.co.za/ArdenCapital/2019_feeds/N03_sens.aspx?month1=Apr&amp;year1=2020&amp;month2=Jul&amp;year2=2021&amp;submit=SUBMIT#</a>
Condensed Reviewed Consolidated Financial Statements for the six months ended 30 June 2021	<a href="https://www.arden-capital.com/sites/default/files/Arden%2030%20June%202021%20Condensed%20Results.pdf">https://www.arden-capital.com/sites/default/files/Arden%2030%20June%202021%20Condensed%20Results.pdf</a>
Annual Report of the Group for the year ending 31 December 2020	<a href="https://www.arden-capital.com/sites/default/files/2020%20Arden%20Capital%20Limited%20Annual%20Report_0.pdf">https://www.arden-capital.com/sites/default/files/2020%20Arden%20Capital%20Limited%20Annual%20Report_0.pdf</a>
Annual Report of the Group for the year ending 31 December 2019	<a href="https://www.arden-capital.com/sites/default/files/2019%20Arden%20Capital%20Limited%20Annual%20Report.pdf">https://www.arden-capital.com/sites/default/files/2019%20Arden%20Capital%20Limited%20Annual%20Report.pdf</a>
Annual Report of the Group for the year ending 31 December 2018	<a href="https://www.arden-capital.com/sites/default/files/Brainworks%20Limited%202018%20annual%20report.pdf">https://www.arden-capital.com/sites/default/files/Brainworks%20Limited%202018%20annual%20report.pdf</a>
SENS announcement dated 22 September 2020 – Dawn acquisition	<a href="https://irhosted.profiledata.co.za/ArdenCapital/2019_feeds/N03_sens.aspx?month1=Apr&amp;year1=2020&amp;month2=Jul&amp;year2=2021&amp;submit=SUBMIT#">https://irhosted.profiledata.co.za/ArdenCapital/2019_feeds/N03_sens.aspx?month1=Apr&amp;year1=2020&amp;month2=Jul&amp;year2=2021&amp;submit=SUBMIT#</a>
Arden Capital Directors' information	<a href="https://www.arden-capital.com/sites/default/files/2020%20Arden%20Capital%20Limited%20Annual%20Report_0.pdf">https://www.arden-capital.com/sites/default/files/2020%20Arden%20Capital%20Limited%20Annual%20Report_0.pdf</a>
Arden Capital Directors' Remuneration	<a href="https://www.arden-capital.com/sites/default/files/2020%20Arden%20Capital%20Limited%20Annual%20Report_0.pdf">https://www.arden-capital.com/sites/default/files/2020%20Arden%20Capital%20Limited%20Annual%20Report_0.pdf</a>

## 21. DOCUMENTS AVAILABLE FOR INSPECTION

As a consequence of the impact of the Covid-19 pandemic and the restrictions placed on public gatherings, the following documents will be available for inspection by Shareholders on Arden's website, <https://www.arden-capital.com/investor-relations/shareholder-circulars>, from the date of this Circular up to and including the date of the Special Meeting:

- 21.1. the Constitution of the Company and AEL;
- 21.2. the shareholder loan agreement entered into for the funding of transaction costs associated with the Proposed Transactions, as set out in paragraph 19.1 above;
- 21.3. the agreements between, inter alia, the Company and AEL for the establishment of AEL and the transfer of all assets and liabilities of the Group into AEL;
- 21.4. all service agreements with Directors;
- 21.5. the letters of consent referred to in paragraph 18;
- 21.6. the audited financial statements for the Group for the financial years ended 31 December 2018 to 31 December 2020; and
- 21.7. a signed copy of this Circular.

**22. GENERAL MEETING**

A Special Meeting of Shareholders will be held electronically at 10:00 (GMT+4) on Monday, 20 December 2021, in order to consider and approve the Resolutions set out in the notice of Special Meeting included in this Circular.

Shareholders are referred to the "Action Required" section, which contains information as to the action they need to take in regard to the Special Meeting.

**SIGNED BY P SAUNGWEME IN MAURITIUS ON 18 November 2021 FOR, AND ON BEHALF OF, ALL OTHER DIRECTORS OF THE COMPANY, IN TERMS OF THE POWER OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS**

A handwritten signature in black ink, appearing to read 'P Saungweme', written in a cursive style.

**P SAUNGWEME  
CHIEF EXECUTIVE OFFICER**

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## ANNEXURE 1: EXTRACTS OF THE COMPANIES ACT

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### SECTION 312: OBJECTION TO REMOVAL FROM REGISTER

- (1) Where a notice is given of an intention to remove a company from the register, any person may deliver to the Registrar, not later than the date specified in the notice, an objection to the removal on grounds that—
- (a) the Company is still carrying on business or there is other reason for it to continue in existence;
  - (b) the Company is a party to legal proceedings;
  - (c) the Company is in receivership, or liquidation, or both;
  - (d) the person is a creditor, or a shareholder, or a person who has an undischarged claim against the Company;
  - (e) the person believes that there exists, and intends to pursue, a right of action on behalf of the Company under Part XII; or
  - (f) for any other reason, it would not be just and equitable to remove the Company from the register.
- (1A) Where a person delivers an objection under subsection (1), he shall, at the same time, serve a copy of same on the Company.
- (1B) Where a person delivers an objection under subsection (1), he shall file proof of the ground of objection with the Registrar within 2 weeks of the date of the objection and shall, at the same time, serve a copy thereof on the Company.
- (1C) Where a person fails to comply with subsection (1B), the objection delivered under subsection (1) shall be deemed to have lapsed.
- (1D) (a) Where an objection delivered before 1 July 2009 has not been withdrawn, the objection shall not be entertained and shall be deemed to have lapsed unless proof of the grounds of objection is filed with the Registrar within a period of 6 weeks from the commencement of this subsection.
- (b) Where the proof referred to in paragraph (a) is not submitted within the period referred to in that paragraph, the Registrar shall remove the company from the register.
- (2) For the purposes of subsection (1) (d)—
- (a) a claim by a creditor against a company is not an undischarged claim where—
    - (i) the claim has been paid in full;
    - (ii) the claim has been paid in part under a compromise entered into under Part XVII or by being otherwise compounded to the reasonable satisfaction of the creditor;
    - (iii) the claim has been paid in full or in part by a receiver or a liquidator in the course of a completed receivership or liquidation; or
    - (iv) a receiver or a liquidator has notified the creditor that the assets of the Company are not sufficient to enable any payment to be made to the creditor; and
  - (b) a claim by a shareholder or any other person against a company is not an undischarged claim unless—
    - (i) payment has been made to the shareholder or that person in accordance with a right under the Company's constitution or this Act to receive or share in the Company's surplus assets; or
    - (ii) a receiver or liquidator has notified the shareholder or that person that the Company has no surplus assets.

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## ANNEXURE 2: SHARE TRADING HISTORY

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Daily share price trading history for the 30 days ended as at the Last Practicable Date:

Date	High (cents)	Low (cents)	Close (cents)	Volume
23-Sep-21	490	490	490	0
27-Sep-21	490	490	490	0
28-Sep-21	490	490	490	0
29-Sep-21	490	490	490	0
30-Sep-21	490	490	490	0
1-Oct-21	490	490	490	0
4-Oct-21	490	490	490	0
5-Oct-21	490	490	490	0
6-Oct-21	490	490	490	0
7-Oct-21	490	490	490	0
8-Oct-21	490	490	490	0
11-Oct-21	490	490	490	0
12-Oct-21	490	490	490	0
13-Oct-21	490	490	490	0
14-Oct-21	490	490	490	0
15-Oct-21	490	490	490	0
18-Oct-21	490	490	490	0
19-Oct-21	490	490	490	0
20-Oct-21	490	490	490	0
21-Oct-21	490	490	490	0
22-Oct-21	490	490	490	0
25-Oct-21	450	450	450	445
26-Oct-21	450	450	450	0
27-Oct-21	450	450	450	0
28-Oct-21	450	450	440	830
29-Oct-21	450	450	450	0
2-Nov-21	450	450	450	0
3-Nov-21	450	450	450	0
4-Nov-21	450	450	450	0
5-Nov-21	450	450	450	0

Monthly share price trading history since listing:

Month ended	Close (cents)	High (cents)	Low (cents)	Volume
31-Oct-17	22	22	22	0
30-Nov-17	900	1150	22	29723
31-Dec-17	950	950	600	2227
31-Jan-18	1050	1150	1000	4354
28-Feb-18	650	1150	237	3201
31-Mar-18	650	700	245	480
30-Apr-18	1100	2998	650	3074
31-May-18	800	1200	135	14495
30-Jun-18	800	800	800	3501
31-Jul-18	800	800	800	55732
31-Aug-18	800	800	800	344
30-Sep-18	800	800	800	10877
31-Oct-18	800	800	800	577
30-Nov-18	800	800	800	2600
31-Dec-18	700	800	700	1570
31-Jan-19	700	700	700	0
28-Feb-19	700	700	700	0
31-Mar-19	800	800	700	1885
30-Apr-19	800	800	800	50
31-May-19	800	800	800	700
30-Jun-19	800	800	800	1580
31-Jul-19	798	800	4	2532
31-Aug-19	798	798	798	0
30-Sep-19	797	798	797	331
31-Oct-19	797	797	797	700
30-Nov-19	797	797	797	0
31-Dec-19	797	797	797	0
31-Jan-20	797	797	797	0
29-Feb-20	797	797	797	0
31-Mar-20	730	797	730	100
30-Apr-20	797	797	730	100
31-May-20	770	797	770	12
30-Jun-20	770	770	770	13
31-Jul-20	770	770	770	0
31-Aug-20	699	770	699	141
30-Sep-20	699	699	699	0
31-Oct-20	660	699	660	4400
30-Nov-20	659	660	659	5000
31-Dec-20	650	700	650	4886
31-Jan-21	600	650	600	15
28-Feb-21	600	600	600	0
31-Mar-21	600	600	600	0
30-Apr-21	600	600	600	0
31-May-21	490	600	401	3618
30-June-21	490	490	490	0
31-July-21	490	490	490	0
31-Aug-21	490	490	490	0
30-Sep-21	490	490	490	0
31-Oct-21	450	490	440	1275

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## ANNEXURE 3: EXCHANGE CONTROL REGULATIONS

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The following is a summary of the Exchange Control Regulations, which is not comprehensive and should be read with the full AEL constitution.

In the event that Shareholders have any doubts in respect of their obligations in terms of the Exchange Control Regulations, they should consult their professional advisors without delay. This summary is based on the Exchange Control Regulations as at date hereof and may be impacted by any subsequent changes to such regulations.

### **Emigrants from the CMA**

The AEL Distribution Shares received by the Shareholders who are emigrants from the CMA and whose registered address is outside the CMA will:

- a) in the case of Dematerialised Shareholders be credited to their blocked share accounts at the CSDP to the order of the Authorised Dealer under whose administration the emigrant's remaining assets are held; or
- b) in the case of Certificated Shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be endorsed 'non-resident' and will be sent to the Authorised Dealer under whose administration the emigrant's remaining assets are held.

The CSDP or Broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in Dematerialised or certificated form.

### **All other non-residents of the CMA**

The AEL Distribution Shares received by Non-Resident Shareholders of the CMA and who have never resided in the CMA and whose registered address is outside the CMA will:

- a) in the case of Dematerialised Shareholders be credited to their share accounts at the CSDP controlling their portfolios;  
or
- b) in the case of a certificated Shareholder whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an Authorised Dealer nominated by such Shareholder. It will be incumbent on the Shareholder concerned to nominate the Authorised Dealer and to instruct the nominated Authorised dealer as to the disposal of the relevant shares. If the information regarding the Authorised Dealer is not given, the unbundled AEL Shares will be held in trust for the Shareholder concerned pending the receipt of the necessary information or instruction.

The CSDP or Broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in Dematerialised or certificated form.

## ANNEXURE 4: KEY CLAUSES OF AEL CONSTITUTION

The following is a tabulated summary of the key clauses in the AEL Constitution and, is not comprehensive and is intended as a guide only.

Key Clause	Extract of Clause Description
4. Shareholders' reserve power	<p>"4.1. The shareholders may, direct the directors to take, or refrain from taking, specified action through any manner as provided for under section 103 of the Companies Act.</p> <p>4.2. An action taken under the article shall not invalidate anything which the directors have done before the passing of such resolution."</p>
28. Share Transfers	"28.1. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor."
33. Procedure for declaring distributions other than dividends	"The board may authorise distributions by the company at a time, and of an amount, to any shareholder it thinks fit, provided that (i) the Company shall, upon the distribution being made, satisfy the solvency test and (ii) the distributions have been approved by an ordinary resolution of shareholders."
34. Procedure for declaring dividends	<p>"34.1 The board may if it is satisfied on reasonable grounds that the Company shall, immediately after the dividend, satisfy the solvency test authorise a dividend by the company at a time, and of an amount it thinks fit.</p> <p>34.2 Each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares held by them, respectively.</p> <p>34.3 The board shall not authorise a dividend -</p> <ul style="list-style-type: none"> <li>(a) in respect of some but not all the shares in a class;</li> <li>(b) of a greater amount in respect of some shares in a class than other shares in that class except where;</li> <li>(c) the amount of the dividend is reduced in proportion to any liability attached to the shares;</li> <li>(d) a shareholder has agreed in writing to receive no dividend, or a lesser dividend than would otherwise be payable;</li> <li>(e) unless it is approved by ordinary resolution of the shareholders; unless it is paid out of retained earnings, after having made good any accumulated losses at the beginning of the accounting period.</li> </ul> <p>34.4 Where the board declares a dividend, it shall ensure that that dividend is paid not later than 12 months after the date on which the dividend is declared.</p> <p>34.5 The directors who vote in favour of a dividend must sign a certificate stating that, in their opinion, the Company shall, immediately after the dividend, satisfy the solvency test and the grounds for that opinion.</p> <p>34.6 If, after a dividend is authorised and before it is made, the board ceases to be satisfied on reasonable grounds that the Company shall, immediately after the dividend is made, satisfy the solvency test, any dividend made by the Company is deemed not to have been authorised."</p>
41. Meetings of shareholders	<p>"41.6 Special Meeting: a special meeting of shareholders may be called at any time by:</p> <ul style="list-style-type: none"> <li>(a) the board; or</li> <li>(b) on the written request of shareholders holding shares carrying together not less than 5 (five) per cent of the voting rights entitled to be exercised on the issue." </li></ul>

Key Clause	Extract of Clause Description
44. Financial year and reporting obligations	<p>“44.1 The balance sheet date of the Company is 31 December.</p> <p>44.2 The board shall, within 6 (six) months of its balance sheet date, prepare audited financial statements in accordance with International Financial Reporting Standards or in accordance with such internationally recognised accounting standards as may be agreed with the Financial Services Commission from time to time.”</p>
46. No right to inspect accounts and other records	<p>“Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company’s accounting or other records or documents merely by virtue of being a shareholder.”</p>
51. Pre-emption rights	<p>“51.1 If one or more shareholders wish to transfer some or all of their ordinary shares to a third party bona fide arm’s length purchaser, the other shareholders have the right, to acquire such shares on the same terms and conditions as those offered to the transferring shareholder by such purchaser.</p> <p>51.2 Before making such transfer, the transferring shareholders shall give all other shareholders a notice at least 10 business days before the proposed sale date. Such notice shall set out:</p> <p>(a) the identity of the buyer;</p> <p>(b) the purchase price and other terms and conditions of payment; and</p> <p>(c) the proposed sale date;</p> <p>51.3 The other shareholders have 10 business days to respond to such notice indicating how many of the shares intended to be transferred they wish to acquire on the notified terms and conditions. If the total of the shares proposed to be pre-empted exceeds the number of shares proposed to be transferred, the proposed number of shares pre-empted by each pre-empting shareholder shall be prorated down, until the total of pre-empted shares equates to the number of shares proposed to be transferred. If the total of shares proposed to be pre-empted is smaller than the number of shares offered by the transferring shareholder, he will be free to transfer the shares to the original buyer.</p>
52. Tag Along Rights on a Change of Control	<p>52.1 If, in one or a series of related transactions, one or more shareholders propose to transfer any of their shares which transfer would, if carried out, result in any buyer (being a third party bona fide arm’s length purchaser) and any person acting in concert with the buyer, owning more than 50% of the ordinary shares in the company or more than 50% of the voting shares in the company (the Controlling Shareholder(s)):</p> <p>52.2 Before making such transfer, the Controlling Shareholder(s) shall procure that the buyer makes an offer (Tag Along Offer) to all other shareholders to purchase all of the ordinary shares held by them for a consideration in cash per share that is at least equal to the greater of the price per share offered or paid by the buyer, or any person acting in concert with the buyer (i) in the proposed transfer or (2) in any related previous transaction in the two years preceding the date of the proposed transfer</p> <p>52.3 The tag along offer shall be given by written notice, at least 10 business days (before the proposed sale date). The tag along offer notice shall set out:</p> <p>(a) the identity of the buyer;</p> <p>(b) the purchase price and other terms and conditions of payment; and</p> <p>(c) the proposed sale date;</p> <p>52.4 If the tag along offer is accepted by any shareholder(s), the completion of the proposed transfer shall be conditional on completion of the purchase of all the shares held by accepting shareholders.</p>

Key Clause	Extract of Clause Description
53. Drag Along	<p data-bbox="580 322 1474 645">53.1 If one or more of the shareholders holding in aggregate not less than 51.75% per cent of the issued ordinary shares for the time being in the Company (the Transferring Shareholders) wish to transfer all of their interest in the shares to a third party bona fide arm's length purchaser, such shareholders shall have the right, but not the obligation, to require all other shareholders (but not some only) to sell and transfer all (but not some only) of their ordinary shares to the proposed buyer at the same price per ordinary share and on the same terms and conditions, except that no shareholder shall be obliged to make any representation or warranty or to incur any liability to the proposed buyer other than in respect of a warranty as to title to its shares.</p> <p data-bbox="580 676 1474 869">53.2 Before making such transfer, the Transferring Shareholders shall give all other shareholders a drag along notice at least 15 business days before the proposed sale date. Such drag along notice shall set out:</p> <ul style="list-style-type: none"> <li data-bbox="660 770 995 801">(a) the identity of the buyer;</li> <li data-bbox="660 804 1426 835">(b) the purchase price and other terms and conditions of payment; and</li> <li data-bbox="660 837 979 869">(c) the proposed sale date;</li> </ul>
54. Squeeze out right	<p data-bbox="580 913 1474 1034">54.1 If, in one or a series of related transactions, one buyer and any person acting in concert with such buyer, control more than 90% of the ordinary shares in the Company, such buyer will have the right, but not the obligation, to squeeze out any other shareholder holding ordinary shares in the Company.</p> <p data-bbox="580 1070 1474 1258">54.2 To exercise the squeeze out the buyer shall serve a notice (Squeeze out notice) to all other shareholders for the purchase of all of the ordinary shares held by them for a consideration in cash per share that is at least equal to the highest price per share of the company paid by the buyer, or any person acting in concert with the buyer in any related previous transaction in the two years preceding the date of the Squeeze out notice.</p> <p data-bbox="580 1294 1474 1460">54.3 The squeeze out shall be given by written notice, at least 10 business days (before the proposed transfer date). The Squeeze out notice shall set out:</p> <ul style="list-style-type: none"> <li data-bbox="660 1361 995 1393">(a) the identity of the buyer;</li> <li data-bbox="660 1395 1426 1426">(b) the purchase price and other terms and conditions of payment; and</li> <li data-bbox="660 1429 916 1460">(c) the transfer date;”</li> </ul>



## ARDEN CAPITAL

(Incorporated in the Republic of Mauritius, registration number 115883 C1/GBL)

Share code: ACZ

ISIN: MU0548S00026

("the Company" or "Arden Capital")

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## NOTICE OF SPECIAL MEETING

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### "Notice"

The definitions and interpretations commencing on page 8 of the Circular to which this notice is attached apply *mutatis mutandis* throughout this notice.

**Notice is hereby given that the Special Meeting of shareholders of Arden will be held electronically on Monday, 20 December 2021, at 10:00 CAT, for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions set out below.**

The following dates apply to the Special Meeting:

Last day to trade in order to be eligible to participate in and vote at the Special Meeting	Tuesday, 7 December 2021
Record date to determine eligible shareholders who may attend, speak and vote at the Special Meeting	Friday, 10 December 2021
Last day to lodge Forms of Proxy for the Special Meeting by 10:00 on	Wednesday, 15 December 2021
Special Meeting to be held at 10:00 on	Monday, 20 December 2021

### Electronic Attendance:

Shareholders are encouraged to connect to the Special Meeting through Starleaf. The meeting ID will be distributed on SENS prior to the Special Meeting date.

Shareholders are encouraged to submit any questions to Arden's Company Secretary, Adansonia Management Services Limited at [zain.madarun@adansoniamanagement.com](mailto:zain.madarun@adansoniamanagement.com) or [investorrelations@arden-capital.com](mailto:investorrelations@arden-capital.com). These questions will be addressed at the Special Meeting and will also be responded to through email.

### SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE REDUCTION OF STATED CAPITAL

**"RESOLVED THAT** subject to ordinary resolution 1 and special resolution number 2 being passed, the reduction in the Stated Capital of the Company, at present amounting to USD80 938 255 divided into 117 266 523 ordinary shares of no par value, by a sum of USD72 000 000, to the sum of USD8 938 255 still divided into 117 266 523 ordinary shares of no par value, and the transfer of USD72 000 000 from the Stated Capital to the distributable reserves, be and is hereby approved in terms clause 6 of the Constitution and section 62 of the Companies Act and that any one director be and is hereby authorised to do all things, sign all documents and take all such actions as required, and generally do anything reasonably necessary or desirable in order to give effect to and implement Special Resolution Number 1."

**Voting requirement:**

In terms of the Listing Requirements and the Mauritius Companies Act, for this special resolution to be adopted, the support of at least 75% of the voting rights exercised thereon by Shareholders, present in person or by proxy at the Special Meeting, is required.

**ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE ARDEN UNBUNDLING**

**“RESOLVED THAT**, subject to special resolution number 1 and special resolution number 2 being passed and subject to the conditions precedent set out in paragraph 5 of the Circular to which this notice is attached, the declaration by the Company of a dividend amounting to USD62 500 000 (“the Dividend”), that the Dividend be settled through the distribution by the Company of all the AEL Distribution Shares held by the Company by way of a pro-rata distribution in specie in terms of clause 16.1.2 of the Constitution, that such Dividend be distributed to the ordinary shareholders recorded in the register as at the close of business on the Unbundling Record Date (as defined in the Circular to which this notice is attached) be, and is hereby approved, and that any one director be and is hereby authorised to do all things, sign all documents and take all such actions as required, and generally do anything reasonably necessary or desirable in order to give effect to and implement Ordinary Resolution Number 1. For the avoidance of doubt, should the conditions precedent set out in paragraph 5 of the Circular to which this notice is attached not be met by 17 January 2022, this resolution will be void.”

**Voting requirement:**

In terms of clause 16.1.1 of the Constitution, section 61 of the Mauritius Companies Act and the Listing Requirements, the support of at least 50% majority of the votes cast by the Shareholders, present in person or represented by proxy at the Special Meeting is required to approve ordinary resolution number 1.

**SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE VOLUNTARY LIQUIDATION OF ARDEN CAPITAL**

**“RESOLVED THAT**, subject to ordinary resolution number 1 and special resolution number 1 being passed and subject to the conditions precedent set out in paragraph 5 of the Circular to which this notice is attached, the Company be placed in Voluntary Liquidation with effect from 10:00am (Mauritius Time) on 1 February 2022 and that Mushtaq Oosman of Oosman Insolvency Practice be appointed as the Liquidator for a total fee of USD4 000 with effect from 10:00am (Mauritius Time) on 1 February 2022 and that any one director be and is hereby authorised to do all things, sign all documents and take all such actions as required, and generally do anything necessary or desirable in order to give effect to and implement Special Resolution Number 2. For the avoidance of doubt, should the conditions precedent set out in paragraph 5 of the Circular to which this notice is attached not be met by 17 January 2022, this resolution will be void.”

**Voting requirement:**

In terms of the Listing Requirements and the Mauritius Companies Act, for this special resolution to be adopted, the support of at least 75% of the voting rights exercised thereon by Shareholders, present in person or by proxy at the Special Meeting, is required.

**Proxies:**

Shareholders entitled to electronically attend and vote via proxy at the Special Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the Company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a Certificated Shareholder or Dematerialised Own-name Registered Shareholder who wishes to be represented at the Special Meeting.

Completion of a form of proxy will not preclude such Shareholder from attending and voting (in preference to that shareholder's proxy) at the Special Meeting. The instrument appointing a proxy and the authority (if any) under which it is signed should reach the Transfer Secretaries at the address given below or be emailed to the following address: proxy@computershare.co.za by no later than 10:00 on Wednesday, 15 December 2021 or it may be handed to the Chairman of the Special Meeting before the meeting commences.

Dematerialised shareholders, other than Own-name registered dematerialised Shareholders, who wish to attend the Special Meeting in person, 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 Shareholders and the CSDP or Broker.

On a poll, Shareholders will have one vote in respect of each share held. Dematerialised shareholders, other than “own name” or registered dematerialised Shareholders, who are unable to attend the Special 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.

By order of the Board.



**Adanson Management Services Limited**  
**Company Secretary**

**18 November 2021**

**Transfer Secretaries**

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

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# ARDEN CAPITAL

(Incorporated in the Republic of Mauritius, registration number 115883 C1/GBL)

Share code: ACZ

ISIN: MU0548S00026

("the Company" or "Arden Capital")

## FORM OF PROXY

**For use by Certificated and Own-name registered Dematerialised Shareholders of the Company ("shareholders") at the Special Meeting of Arden to be held electronically at 10:00 (GMT+4) on Monday, 20 December 2021.**

I/We (please print full names) .....

of (address) .....

Telephone number: \_( ) ..... Cellphone number: .....

E-mail address: .....

being the holder/s of ..... ordinary no par value Shares in Arden, appoint (see note 1):

1. .... or failing him,

2. .... or failing him,

3. the chairperson of the Special Meeting,

as my/our proxy to act for me/us and on my/our behalf at the Special Meeting which will be held for the purpose of considering, and if deemed fit, passing, with or without modification, the Resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the Resolutions and/or abstain from voting in respect of the Shares registered in my/our name/s, in accordance with the following instructions (see note 2):

RESOLUTIONS PROPOSED	NUMBER OF VOTES		
	FOR	AGAINST	ABSTAIN
Special resolution number 1 – approval of Reduction of Stated Capital			
Ordinary resolution number 1 – approval of the Unbundling			
Special resolution number 2 – approval of the Voluntary Liquidation			

*(Indicate instruction to proxy by way of a cross in the relevant space provided above)*

Signed at ..... on .....

Signature ..... Assisted by me (where applicable) .....

Name .....

Capacity ..... Signature.....

**Notes:**

1. This proxy shall apply to all the Shares registered in the name of Shareholders at the record date unless a lesser number of Shares are inserted.
2. A Shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a Shareholder of the Company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the Form of Proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this Form of Proxy may delegate the authority given to him in this proxy by delivering to the Company, in the manner required by these instructions, a further Form of Proxy which has been completed in a manner consistent with the authority given to the proxy of this Form of Proxy.
3. Unless revoked, the appointment of proxy in terms of this Form of Proxy remains valid until the end of the meeting even if the meeting or a part thereof is postponed or adjourned.
4. If
  - 4.1. a Shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
  - 4.2. the Shareholder gives contrary instructions concerning any matter; or
  - 4.3. any additional resolution/s which are properly put before the Special Meeting; or
  - 4.4. any resolution listed in the Form of Proxy is modified or amended, the proxy shall be entitled to vote or abstain from voting, as he thinks fit, concerning that resolution or matter. If, however, the Shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 4.1 to 4.4, then the proxy shall comply with those instructions.
5. If this proxy is signed by a person (signatory) on behalf of the Shareholder, whether in terms of a power of attorney or otherwise, then this Form of Proxy will not be effective unless:
  - 5.1. it is accompanied by a certified copy of the authority given by the Shareholder to the signatory; or
  - 5.2. the Company has already received a certified copy of that authority.
6. The chairman of the meeting may, at his discretion, accept or reject any Form of Proxy or other written appointment of a proxy which is received by him prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the Shareholder appointing the proxy.
7. Any alterations made in this Form of Proxy must be initialled by the authorised signatory/ies.
8. This Form of Proxy Form is revoked if the Shareholder who granted the proxy:
  - 8.1. delivers a copy of the revocation instrument to the Company and the proxy or proxies concerned, so that it is received by the Company by not later than Wednesday, 15 December 2021 at 10:00; or
  - 8.2. appoints a later, inconsistent appointment of proxy for the Special Meeting; or
  - 8.3. attends the Special Meeting in person.
9. If duly authorised, companies and other corporate bodies who are Shareholders of the Company having Shares registered in their own name may, instead of completing this Form of Proxy, appoint a representative to represent them and exercise all of their rights at the Special Meeting by giving written notice of the appointment of that representative. This form will not be effective at the Special Meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed.