

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, throughout this Circular, including this cover page.

Action required by Shareholders

Shareholders are referred to page 2 of this Circular, which sets out the action required of them regarding the Specific Issues, full details of which are set out in this Circular.

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

If you have disposed of your entire shareholding in Huge, then this Circular, together with the enclosed Form of Proxy should be handed to the purchaser of such Shares or to the Broker or agent through whom the disposal was affected.

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



(Registration number 2006/023587/06)

JSE share code: HUG

A2X share code: HUG

ISIN: ZAE000102042

("Huge Group" or "the Company")

CIRCULAR TO SHAREHOLDERS

regarding the:

- proposed Specific Issue of up to 7 500 000 Huge Shares to JC Herbst in terms of the relevant Executive Option Agreement;
- proposed Specific Issue of up to 7 500 000 Huge Shares to AP Openshaw in terms of the relevant Executive Option Agreement;
- proposed Specific Issue of up to 750 000 Huge Shares to SL Sequeira in terms of the relevant Executive Option Agreement;

incorporating:

- a notice convening a General Meeting;
- a fairness opinion issued by the Independent Expert; and
- a Form of Proxy (*blue*) in respect of the General Meeting (to be completed by Certificated Shareholders and Dematerialised Shareholders with Own-Name Registration only).

Transaction Sponsor



Tax Advisors



Independent Expert



Legal Advisors



Independent Reporting Accountant



Date of issue: 29 January, 2020

This document is available in English only and copies may be obtained from the registered office of the Company during normal office hours from the date of issue hereof until the date of the General Meeting. An electronic copy of this Circular will be available on the Company's website, www.hugegroup.com/Investors-Circulars, from the date of distribution of this Circular.

CORPORATE INFORMATION AND ADVISORS

Directors

Executive

JC Herbst (*Chief Executive Officer*)
SL Sequeira (*Chief Financial Officer*)
AP Openshaw (*Chief Operating Officer*)

Non-executive

DF da Silva (*Non-Executive Chairman*)
VM Mokholo

Independent Non-executive

SP Tredoux (*Lead Independent Non-executive Director*)
BC Armstrong
DR Gammie
CWJ Lyons

Transaction Sponsor

Questco Proprietary Limited
(Registration number 2002/005616/07)
First Floor, Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston, 2191

Independent Reporting Accountants

Mazars
(Practice number 900222)
Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441
(PO Box 784903, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Company Secretary and registered office

KE Robinson

Unit 6, 1 Melrose Boulevard
Melrose Arch
Johannesburg, 2076
(PO Box 1585, Kelvin, 2054)

Place and date of incorporation

Pretoria, South Africa – 31 July 2006

Legal Advisors

Herbert Smith Freehills South Africa LLP
(Registration number OC402561)
15 Biermann Avenue
Rosebank, 2196

Independent Expert

Moore Corporate Services Cape Town
Proprietary Limited
(Registration number 2011/009732/07)
2nd Floor, Block 2, Northgate Park
Corner Section Street and Koeberg Road
Paarden Eiland, 7405
(PO Box 1955, Cape Town, 8000)

Tax Advisors

Grayston Elliot
(Registration number 2012/208649/07)
Second Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7600)

Meeting Scrutineers

The Meeting Specialist Proprietary Limited
(Registration number 2017/287419/07)
JSE Building, One Exchange Square
Gwen Lane, Sandown, 2196
(PO Box 62043, Marshalltown, 2107)

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ACTION REQUIRED BY SHAREHOLDERS

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

A general meeting will be held on Wednesday, 26 February 2020 at 10:00 at the offices of the Company, Unit 6, 1 Melrose Boulevard, Melrose Arch, Johannesburg, 2076, to consider and if deemed fit, approve the Resolutions.

You should read this Circular carefully and decide how you wish to vote on the Resolutions to be proposed at the General Meeting. The Notice is attached to and forms part of this Circular.

If you have Dematerialised your Huge Shares without Own-Name Registration:

a) **Voting at the General Meeting**

- i. Your CSDP/Broker is obliged to contact you in the manner stipulated in the custody agreement concluded between you and your CSDP/Broker to ascertain how you wish to cast your vote at the General Meeting and thereafter to cast your vote in accordance with your instructions.
- ii. If you have not been contacted, it would be advisable for you to contact your CSDP/Broker and furnish it with your voting instructions.
- iii. If your CSDP/Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP/Broker.
- iv. You must NOT complete the attached Form of Proxy.

b) **Attendance and representation at the General Meeting**

In accordance with the custody agreement between you and your CSDP/Broker, you must advise your CSDP/Broker if you wish to attend the General Meeting in person or if you wish to appoint a proxy to represent you thereat and your CSDP/Broker will issue the necessary letter of representation for you or your proxy to attend the General Meeting.

If you have not **Dematerialised your Huge Shares or you have Dematerialised your Huge Shares with Own-Name Registration:**

a) **Voting, attendance and representation at the General Meeting**

- i. You may attend and vote at the General Meeting in person.
- ii. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions contained therein.

IMPORTANT DATES AND TIMES

2020

Record date as determined by the Board in accordance with section 59 of the Companies Act for Shareholders to be eligible to receive the Circular	Friday, 24 January
Announcement released on SENS relating to the posting of the Circular, including the Notice	Wednesday, 29 January
Last day to trade in Huge Shares in order to be eligible to participate in and vote at the General Meeting	Tuesday, 18 February
Record date in order to participate in and vote at the General Meeting	Friday, 21 February
Forms of Proxy for the General Meeting to be received by 10:00 for administrative purposes. Forms of Proxy may alternatively be handed to the chairperson of the General Meeting prior to the proxy exercising such shareholder's rights as a shareholder at the General Meeting, in accordance with the instructions therein	Monday, 24 February
General Meeting of Shareholders to be held at 10:00	Wednesday, 26 February
Results of General Meeting released on SENS	Thursday, 27 February

Notes:

1. All times indicated above are local times in South Africa.
2. Dates and times are subject to change. Any such changes will be published on SENS. If the General Meeting is adjourned or postponed, the Forms of Proxy submitted for the General Meeting will remain valid in respect of any adjournment or postponement thereof.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated in the second column, an expression which denotes a gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*.

“Affiliate”	in respect of a person (the “Reference Person”), any person (the “First Affiliated Person”) which Controls (directly or indirectly) the Reference Person and any other person (the “Second Reference Person”) Controlled (directly or indirectly) by the First Affiliated Person, including, where the Reference Person, the First Affiliated Person and/or the Second Affiliated Person is a company, the direct and indirect holding company of such Reference Person, First Affiliated Person and/or Second Affiliated Person and any subsidiary (direct or indirect) of such holding company;
“A2X Markets”	A2X Proprietary Limited (Registration number 2014/147138/07), a private company duly incorporated in accordance with the laws of South Africa and a licensed stock exchange authorised to provide a secondary listing venue for companies in terms of the FMA;
“Blue Label”	Blue Label Telecoms Limited (Registration number 2006/022679/06), a public company duly registered and incorporated in accordance with the laws of South Africa, the issued ordinary share capital of which is listed on the securities exchange operated by the JSE;
“Board” or “Directors”	collectively, the board of directors of Huge;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the FMA;
“Business Day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“Cash Settlement Amount”	determined in terms of the following formula: Cash Settlement Amount = (number of Subscription Shares x Effective Price) – Subscription Consideration;
“Cell C”	Cell C Proprietary Limited (Registration number 1999/180727/07), a private company duly registered and incorporated in accordance with the company laws of South Africa;
“Cell C SPC”	Cell C Service Provider Company Proprietary Limited (Registration number 2001/008017/07), a private company duly incorporated in accordance with the laws of South Africa, which, in turn, is controlled by Cell C, which, in turn is controlled by The Prepaid Company (a wholly-owned subsidiary of Blue Label), which holds a 45% therein;
“Certificated Shareholders”	registered holders of Certificated Shares;
“Certificated Shares”	Shares represented by share certificates or other documents of title which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
“Circular”	this bound document, dated Wednesday, 29 January 2020, together with the Notice;
“Companies Act”	the Companies Act 2008 (Act 71 of 2008), as amended from time to time;
“Control”	has the meaning ascribed to that term in section 2(2) of the Companies Act;

“CSDP”	a central securities depository participant, as defined in the FMA, appointed by an individual shareholder for the purposes of, and in respect of, the Dematerialisation of documents of title for the purposes of incorporation into Strate;
“Dematerialise” or “Dematerialisation”	the process by which securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in the sub-register of security holders maintained by a CSDP or Broker;
“Dematerialised Shareholders”	registered holders of Dematerialised Shares;
“Dematerialised Shares”	Shares which have been Dematerialised;
“Designated Bank Account”	the bank account notified by the Executive to the Company, from time to time;
“Designated Shares”	collectively: <ol style="list-style-type: none"> 1. 7 500 000 Shares in respect of JC Herbst; 2. 7 500 000 Shares in respect of AP Openshaw; and 3. 750 000 Shares in respect of SL Sequeira, which are the subject of the Options;
“Effective Date”	the first Business Day following the fulfilment of the Suspensive Conditions;
“Effective Price”	the VWAP on the Option Exercise Date;
“ESA”	an enterprise supply agreement concluded between Huge Cellular and Cell C SPC;
“Executive Directors” or “Executive”	individually or collectively, as the context may indicate, JC Herbst, AP Openshaw and SL Sequeira;
“Executive Option Agreements”	collectively: <ol style="list-style-type: none"> 1. the executive option agreement, together with its addendum, concluded between Huge and JC Herbst on 29 August 2019; 2. the executive option agreement, together with its addendum, concluded between Huge and AP Openshaw on 29 August 2019; and 3. the executive option agreement, together with its addendum, concluded between Huge and SL Sequeira on 29 August 2019, and “Executive Option Agreement” means, as the context requires, any one of them;
“FMA”	the Financial Markets Act 2012 (Act 19 of 2012), as amended from time to time;
“Forfeited Options”	the Vested Options that the Executive elects to forfeit on the Option Exercise Date, represented by a number of Designated Shares;
“Form of Proxy”	the Form of Proxy forming part of the Notice;
“General Meeting”	the general meeting of Shareholders to be held at 10:00 on Wednesday, 26 February 2020 at the offices of the Company, Unit 6, 1 Melrose Boulevard, Melrose Arch, Johannesburg, 2076, to consider and, if deemed fit, pass with or without modification the Resolutions;
“Group”	the Company and its subsidiaries;
“Huge” or “the Company”	Huge Group Limited (Registration number 2006/023587/06), a public company duly incorporated in accordance with the laws of South Africa and listed on the JSE and A2X Markets;

“Huge Cellular”	Huge Cellular Proprietary Limited (Registration number 2008/004068/07), a private company duly incorporated in accordance with the laws of South Africa and an associate of Huge;
“Huge Connect”	Huge Connect Proprietary Limited (Registration number 2004/005721/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge;
“Huge Networks”	Huge Networks Proprietary Limited (Registration number 2014/009214/07), a private company duly incorporated in accordance with the laws of South Africa and a 50.03% owned subsidiary of Huge Telecom;
“Huge Telecom”	Huge Telecom (Registration number 1993/003902/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge;
“Income Tax Act”	the Income Tax Act (Act 58 of 1962), as amended from time to time;
“Independent Board”	the independent board of directors, constituting Huge directors that are independent of the Specific Issues;
“Independent Expert”	Moore Corporate Services Cape Town Proprietary Limited (Registration number 2011/009732/07), being an independent professional expert acceptable to the JSE, appointed by the Board to advise it as to the fairness of the Specific Issues;
“JSE”	the Johannesburg Stock Exchange, operated by JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the FMA;
“Last Practicable Date”	Friday, 17 January 2020, being the last practicable date prior to the finalisation of the Circular;
“Legal advisors”	Herbert Smith Freehills South Africa LLP (Registration number OC402561), a limited liability partnership registered in accordance with the laws of England and Wales;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Longstop Date”	28 February 2020 or such later date agreed between the Parties in writing;
“Meeting Scrutineers”	The Meeting Specialist Proprietary Limited, (Registration number 2017/287419/07), a private company duly incorporated in accordance with the laws of South Africa, the address of which is JSE Building, One Exchange Square Gwen Lane, Sandown;
“Notice”	the notice of General Meeting, inclusive of the Form of Proxy, forming part of this Circular;
“Option 1 Option Period”	the period from 1 March 2020 to 28 February 2025;
“Option 2 Option Period”	the period from 1 March 2021 to 28 February 2026;
“Option 3 Option Period”	the period from 1 March 2022 to 28 February 2027;
“Option Periods”	collectively, Option 1 Option Period, Option 2 Option Period and Option 3 Option Period, and “Option Period” means, as the context requires, any one of them;
“Option Exercise Date”	the date on which an Executive exercises the Option, being the date of delivery of an Option Exercise Notice by the Executive to the Company;
“Option Exercise Notice”	a written notice delivered by an Executive to the Company;

“Option Settlement Date”	in respect of a Vested Option, 15 Business Days after the relevant Option Exercise Date;
“Options”	the granting by the Company to the Executive Directors, in terms of the Executive Option Agreements, the right to subscribe for the relevant Designated Shares;
“Own-Name Registration”	Dematerialised Shareholders who have registered their Shares in their own name with a CSDP in terms of the FMA;
“the Parties”	the Company and the Executive Directors;
“Resolutions”	the ordinary resolutions in respect of each Specific Issue which, in terms of the Listings Requirements must be approved by a 75% majority of the votes cast in favour thereof by all Shareholders present in person or represented by proxy at the General Meeting, the special resolutions in respect of each Specific Issue, in terms of section 41(1) of the Companies Act and the ordinary resolution authorising the Directors to give effect to the aforementioned resolutions and “Resolution” as the context requires, means any one of them;
“Scenario 1”	the manner in which the Company may elect to discharge its obligations to the Executive in respect of the Subscription Shares on the Option Settlement Date by issuing the Subscription Shares to the Executive;
“Scenario 2”	the manner in which the Company may elect to discharge its obligations to the Executive in respect of the Subscription Shares on the Option Settlement Date by making payment of the Cash Settlement Amount to the Executive, in cash, by way of electronic funds transfer of freely available funds into the Designated Bank Account free of any costs, charges or expenses and without any withholding, deduction, set-off or counterclaim;
“SENS”	the Stock Exchange News Service of the JSE;
“Settlement Value”	determined in terms of the following formula: Settlement Value = number of Forfeited Options (represented by a number of Designated Shares) x (Effective Price – Strike Price);
“Shares” or “Huge Shares”	ordinary shares of R0.0001 each in the issued share capital of Huge;
“Shareholders”	the shareholders of the Company, from time to time;
“Signature Date”	the date of the signature of the Parties of the Executive Option Agreements, being 29 August 2019;
“Specific Issues”	collectively: <ol style="list-style-type: none"> 1. subject to vesting of the Options and the delivery by JC Herbst to Huge of Option Exercise Notices, the issue of up to 7 500 000 Huge Shares to JC Herbst, at the Strike Price, in terms of the relevant Executive Option Agreement; 2. subject to vesting of the Options and the delivery by AP Openshaw to Huge of Option Exercise Notices, the issue of up to 7 500 000 Huge Shares to AP Openshaw, at the Strike Price, in terms of the relevant Executive Option Agreement; and 3. subject to vesting of the Options and the delivery by SL Sequeira to Huge of Option Exercise Notices, the issue of up to 750 000 Huge Shares to SL Sequeira, at the Strike Price, in terms of the relevant Executive Option Agreement, and “ Specific Issue ” means, as the context requires, any one of them
“South Africa”	the Republic of South Africa;

“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, a registered central securities depository in terms of the FMA;
“Strike Price”	the VWAP on the Signature Date, being R5.31 per Share;
“Subscription Consideration”	determined in terms of the following formula: Subscription Consideration = Number of Subscription Shares x Strike Price;
“Subscription Shares”	the number of Designated Shares for which the Executive intends to subscribe provided that the number of Subscription Shares shall be net of the number of Designated Shares which are the subject of Forfeited Options;
“Suspensive Conditions”	the suspensive conditions to the Specific Issues, as set out in paragraph 2.7 of this Circular;
“Tax Advisors”	Grayston Elliot Proprietary Limited (Registration number 2012/208649/07), a private company duly incorporated in accordance with the laws of South Africa;
“The CI Trust”	The ConnectNet Incentive Trust (Master’s Reference number: IT000255/2017(D)), the beneficiaries of which are certain employees, directors and/or consultants of Huge Connect and Huge Networks;
“The Prepaid Company”	The Prepaid Company Proprietary Limited (Registration number 1999/016716/07), a private company duly registered and incorporated in accordance with the laws of South Africa, and a wholly-owned subsidiary of Blue Label;
“Transaction Sponsor”	Questco Proprietary Limited (Registration number 2002/005616/07), a private company duly incorporated in accordance with the laws of South Africa;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of South Africa;
“Vested Option”	an Option that has vested in the Executive in accordance with the terms of the relevant Executive Option Agreement; and
“VWAP”	the 30-day volume-weighted average traded price of Huge Shares.



Huge Group Limited

(Registration number 2006/023587/06)
 JSE share code: HUG
 A2X share code: HUG
 ISIN: ZAE000102042
 ("Huge Group" or "the Company")

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

Shareholders are referred to the announcement published on SENS on 30 August 2019 in terms of which Shareholders were advised that the Company had entered into the Executive Option Agreements with the Executive Directors, which agreements are subject to the approval of Shareholders.

The purpose of this Circular is to furnish Shareholders with all the relevant information relating to the Specific Issues in accordance with the Listings Requirements and to convene the General Meeting in order for Shareholders to consider and, if deemed fit, approve, with or without modification, the Resolutions set out in the Notice.

2. OVERVIEW OF THE OPTIONS

2.1 Granting of the Options

Each Executive Option Agreement contemplates the granting by the Company of the Options as set out in the tables below.

JC Herbst	Option 1	Option 2	Option 3
Number of Designated Shares	2 500 000	2 500 000	2 500 000
Option Period	1 March 2020 to 28 February 2025 (both days inclusive)	1 March 2021 to 28 February 2026 (both days inclusive)	1 March 2022 to 28 February 2027 (both days inclusive)
Date of vesting	Beginning of the Option 1 Option Period, being 1 March 2020	Beginning of the Option 2 Option Period, being 1 March 2021	Beginning of the Option 3 Option Period, being 1 March 2022
Strike Price at date of vesting	R5.31 per Share	R5.31 per Share	R5.31 per Share
AP Openshaw	Option 1	Option 2	Option 3
Number of Designated Shares	2 500 000	2 500 000	2 500 000
Option Period	1 March 2020 to 28 February 2025 (both days inclusive)	1 March 2021 to 28 February 2026 (both days inclusive)	1 March 2022 to 28 February 2027 (both days inclusive)
Date of vesting	Beginning of the Option 1 Option Period, being 1 March 2020	Beginning of the Option 2 Option Period, being 1 March 2021	Beginning of the Option 3 Option Period, being 1 March 2022
Strike Price at date of vesting	R5.31 per Share	R5.31 per Share	R5.31 per Share

SL Sequeira	Option 1	Option 2	Option 3
Number of Designated Shares	250 000	250 000	250 000
Option Period	1 March 2020 to 28 February 2025 (both days inclusive)	1 March 2021 to 28 February 2026 (both days inclusive)	1 March 2022 to 28 February 2027 (both days inclusive)
Date of vesting	Beginning of the Option 1 Option Period, being 1 March 2020	Beginning of the Option 2 Option Period, being 1 March 2021	Beginning of the Option 3 Option Period, being 1 March 2022
Strike Price at date of vesting	R5.31 per Share	R5.31 per Share	R5.31 per Share

2.2 Exercise of a Vested Option

Provided that the Executive is an employee of the Company on the relevant Option Exercise Date, the Executive shall be entitled to exercise a Vested Option by the delivery to the Company of an Option Exercise Notice:

- on multiple occasions;
- on any Business Day during the relevant Option Period, provided that the Business Day does not fall within a period ascribed as a “prohibited period” in terms of the Listings Requirements;
- on each occasion in respect of some or all of the Designated Shares which are the subject of a Vested Option; and
- stating whether the Executive elects to forfeit a portion of the Vested Option, as represented by a number of Designated Shares (“Forfeited Options”) and to apply the Settlement Value of the Forfeited Options in full or partial settlement of the Subscription Consideration.

The Option Exercise Notice is required to contain the following details:

- the Option Exercise Date;
- the number of Subscription Shares, provided that, for the avoidance of doubt, the number of Subscription Shares shall be net of the number of Designated Shares which are the subject of Forfeited Options;
- the Strike Price;
- the Subscription Consideration; and
- if applicable, the number of Forfeited Options, Effective Price and Settlement Value.

2.3 Settlement of Options

On the Option Settlement Date, the Executive shall discharge his or her obligations to the Company in respect of the Subscription Consideration as follows:

- 2.3.1 where the Executive elects in the Option Exercise Notice not to forfeit any Vested Options, by effecting payment to the Company of the total Subscription Consideration in cash; or
- 2.3.2 where the Settlement Value is equal to the Subscription Consideration, by forfeiting the Forfeited Options and applying the Settlement Value in full settlement of the Subscription Consideration; or
- 2.3.3 where the Settlement Value is less than the Subscription Consideration, by forfeiting the Forfeited Options and applying the Settlement Value in partial settlement of the Subscription Consideration and making payment in cash of the remaining amount into the Company’s bank account.

2.4 Discharge of Company's obligations

Against discharge of the Executive's obligations to the Company in respect of the Subscription Consideration, the Company may elect to discharge its obligations to the Executive in respect of the Subscription Shares (to be issued to the Executive) on the Option Settlement Date by either:

2.4.1 issuing the Subscription Shares to the Executive ("Scenario 1"); or

2.4.2 paying the Cash Settlement Amount to the Executive in cash ("Scenario 2").

The Company must within five Business Days of receipt of an Option Exercise Notice notify the Executive in writing of its election in terms of paragraphs 2.4.1 or 2.4.2.

The election by the Company to discharge its obligations in terms of Scenario 2 does not constitute financial assistance in terms of s44 or s45 of the Companies Act. Therefore, application of the solvency and liquidity test will only be applicable where payment of a Cash Settlement Amount constitutes a distribution. In this regard, if the Board elects to discharge its obligation to an Executive in terms of Scenario 2 and that Executive is also a Shareholder, then that Cash Settlement Amount will constitute a distribution in terms of section 46 of the Companies Act and will therefore require the Board to confirm that the Company satisfies the solvency and liquidity test at that time the distribution is to be made.

2.5 Other relevant aspects relating to the Options

In the event that the Executive ceases to be an employee of the Company or of an Affiliate of the Company, the Executive shall forfeit any remaining unexercised Vested Option (or portion thereof) and any remaining Options which have not vested, with effect from the termination of the Executive's employment.

If, during the term of the Executive Option Agreements, the Company makes an announcement of any merger, takeover or other corporate action which, if implemented, would result in a change of Control, the Executive shall be entitled to deliver an Option Exercise Notice in respect of the Options over all of the Designated Shares which have not yet been exercised or forfeited in terms of an Option Exercise Notice, notwithstanding that some or all of the Options may not have vested.

In accordance with clause 5.2 of the Executive Option Agreements, in the event that the Huge Shares are subject to a division or consolidation in terms of section 114 of the Companies Act (or for any other reason), the number of Designated Shares and/or the Strike Price will be adjusted to the extent necessary to place the Company and the Executive in the equivalent economic position in respect of the Options.

In spite of clause 5.2, it is not necessarily envisaged that the Strike Price would be adjusted, however, the parties retain that flexibility (i.e. in the event of a division of shares, the Strike Price could be commensurately decreased while keeping the number of Designated Shares constant as opposed to increasing the number of Designated Shares and retaining the Strike Price). Clause 5.2 simply provides flexibility for the Parties to vary either the Strike Price or the number of Designated Shares to ensure that each Party remains in the same economic position.

Clause 5.2 does not allow the Parties to depart from the agreed/approved economic position and thus the Shareholder approval sought is sufficient to cover a situation where clause 5.2 is activated. In terms of the Companies Act, the issue of shares in certain circumstances (i.e. to directors) requires a special resolution. The resolutions to be passed constitute both a special and an ordinary resolution (which approves the terms of the Options).

2.6 Rationale for the proposed granting of the Options

The Executive Option Agreements are intended to reward the Executives for past performance, encourage future performance and incentivise the Executives to remain employed by the Company.

2.7 Conditions Precedent

Each Specific Issue is subject to the fulfilment or waiver (to the extent that the waiver is competent in law) of, *inter alia*, the following remaining Suspensive Conditions on or before the Longstop Date:

- the delivery by the Company to the Executives of a copy of an ordinary resolution of the Shareholders of the Company approving the terms and conditions of the Executive Option Agreements passed at the General Meeting of Shareholders and achieving a majority of at least 75%; and
- the receipt of all regulatory approvals legally required for the implementation of the Executive Option Agreements, either unconditionally or subject to conditions as are reasonably acceptable to the Parties, including, without limitation, the approval of the JSE to the extent legally required.

3. THE SPECIFIC ISSUES

3.1 Appointment of the Independent Expert

The proposed granting of the Options constitutes a specific issue of Options to related parties in terms of the Listings Requirements and, accordingly, the Company has appointed the Independent Expert to confirm whether the terms of the Executive Option Agreements are fair insofar as the existing, disinterested Shareholders are concerned and to advise the Board accordingly. The Independent Expert's report is set out in **Annexure 1**.

The Independent Expert has concluded, in **Annexure 1** of the Circular, that the issue of the Options to Executive Directors is unfair.

3.2 Compliance with the Listings Requirements

Subscription Shares will be issued at the Strike Price.

There is no maximum discount at which the Subscription Shares will be issued with reference to the trading price of Huge Shares at the Option Exercise Date.

The Shares to be issued are of a class of securities already in issue and will rank *pari passu* in every respect with existing Huge Shares in issue.

The proposed Specific Issues are subject to the Listings Requirements which provide that they must be approved by a minimum of 75% of disinterested Shareholders present in person or represented by proxy at the General Meeting.

JC Herbst, being the only Executive who holds Huge Shares, together with his associates, Pacific Breeze Trading 417 Proprietary Limited, Silver Meadow Trading 3 Proprietary Limited and Eagle Creek Investments 223 Proprietary Limited are precluded from voting Huge Shares (the **Precluded Huge Shares**) at the General Meeting in respect of resolutions relating specifically to the Specific Issue arising from the JC Herbst Executive Option Agreement, as referred to in paragraph 7.2. For the avoidance of doubt, JC Herbst and his associates will not be precluded from voting Huge Shares in respect of resolutions relating to the Specific Issue arising from the AP Openshaw Executive Option Agreement and the SL Sequeira Executive Option Agreement.

4. NATURE OF BUSINESS AND PROSPECTS

Huge is an investment holding company which holds investments in subsidiaries operating in the telecommunications, technology, software and media industries. The Company maintains a listing on the Main Board of the JSE and a secondary listing on A2X Markets. The Company conducts its business principally within South Africa but also in Botswana, Lesotho, Mozambique, Namibia, eSwatini, Zambia and Zimbabwe.

Huge Telecom is one of South Africa's leading providers of voice, messaging, data and video connectivity services utilising a wireless GSM-based, fixed cellular, last-mile solution.

Huge Connect is a telecommunications services company with a focus on growing its payment connectivity services. It was established in 2004 and provides connectivity to the card payment terminals of merchants, payment services providers and the commercial banks in South Africa by making use of secure, managed, dual SIM connectivity over GSM data networks. It has over 32 000 merchants as customers. The company has also expanded into other markets for payment connectivity, including connectivity for ATMs, integrated points of sale, medical/script verifications, telemetry applications, micro-lending applications and cash vaults.

5. PRO FORMA FINANCIAL EFFECTS OF THE SPECIFIC ISSUES

The *pro forma* financial information, which is the responsibility of the Directors, has been prepared:

- to illustrate the impact of the Specific Issues on the reviewed consolidated financial results of the Company for the six months ended 31 August 2019 had the Specific Issues occurred on 31 August 2019 for Statement of Financial Position purposes and on 1 March 2019 for Statement of Comprehensive Income purposes;
- using accounting policies which comply with IFRS and that are consistent with those applied in the audited annual financial statements of the Company for the year ended 28 February 2019; and
- for illustrative purposes only and, because of its *pro forma* nature, may not fairly present the Company's financial position, changes in equity, results of operations and cash flow going forward.

The *pro forma* financial effects have been prepared to illustrate two scenarios, as follows:

- Scenario 1; and
- Scenario 2.

The full *pro forma* financial effects of the Specific Issues are set out in **Annexure 2** and should be read in conjunction with the Reporting Accountants' report thereon, as set out in **Annexure 3**.

	Before the Specific Issues	After the Specific Issues Scenario 1	% change	After the Specific Issues Scenario 2	% change
Basic EPS (cents)	29.43	21.49	(27.0)	21.49	(27.0)
Diluted EPS (cents)	29.37	21.49	(26.8)	21.49	(26.8)
Basic HEPS (cents)	29.21	21.27	(27.2)	21.27	(27.2)
Diluted HEPS (cents)	29.14	21.27	(27.0)	21.27	(27.0)
NAVPS (cents)	489.83	489.55	(0.1)	489.55	(0.1)
NTAVPS (cents)	123.71	123.42	(0.2)	123.42	(0.2)
Number of Shares (million)	165.24	165.24	–	165.24	–
Weighted average number of Shares at period-end (million)	164.77	164.77	–	164.77	–
Weighted average number of diluted Shares (million)	165.13	165.13	–	165.13	–

Notes and assumptions:

The notes to the *pro forma* financial effects and the assumptions thereto are contained in **Annexure 2**.

6. ADDITIONAL INFORMATION IN RESPECT OF HUGE

6.1 Authorised and issued share capital

The authorised and issued share capital of Huge at the Last Practicable Date is set out below.

	Rand
Authorised	
1 000 000 000 Shares	100 000
Issued	
175 627 077 Shares	16 477
Share premium	605 516 903
TOTAL SHARE CAPITAL	605 533 380

At the Last Practicable Date, Huge Telecom held 9 646 926 Shares and The CI Trust held 737 989 Shares as treasury Shares.

6.2 Major shareholders

At the Last Practicable Date, Shareholders, other than Directors, who beneficially (direct or indirect) held a 5% or greater shareholding in the issued Shares are set out below.

Shareholder	Number of Shares	% shareholding on total Shares in issue*		% shareholding excluding treasury shares	
		Direct	Indirect	Direct	Indirect
Praesidium Hedge Fund	36 500 000	20.78	–	22.09	–
Pacific Breeze Trading 417 Proprietary Limited**	14 260 891	–	8.12	–	8.63
Eagle Creek Investments 223 Proprietary Limited**	9 805 567	–	5.58	–	5.93

* Based on 175 627 077 Shares including 10 384 915 Treasury Shares as at the Last Practicable Date.

** An associate of JC Herbst.

6.3 Litigation statement

Huge Cellular, an associate company of Huge, initiated arbitration proceedings against Cell C SPC (a subsidiary of Cell C) in terms of an ESA which expired on 28 February 2019. In terms of these arbitration proceedings, Huge Cellular seeks an order declaring that, in terms of the ESA, Huge Cellular has an accrued right to continue to access accrued credits under the ESA in an aggregate amount of approximately R60 187 173 after the expiry of the ESA.

Cell C SPC has launched a conditional counter-claim, in which it alleges that, in the event that Huge Cellular is unsuccessful in the arbitration, then Huge Cellular will have been unjustly enriched in an amount equal to the value of services used by Huge Cellular after 28 February 2019 and claims payment of the relevant amount from Huge Cellular. Huge Cellular disputes:

- that the conditional counter-claim properly forms part of the arbitration; and
- the substantive validity of the conditional counter-claim.

The arbitration proceedings are ongoing and the hearing is scheduled for March 2020.

The Directors are of the view that these arbitration proceedings are material to the financial position of Huge and its subsidiaries.

The Group engages in a certain level of litigation in the ordinary course of business. The Directors have considered all pending and current litigation and are of the opinion that, unless specifically provided, none of these will result in a loss to the Group. All significant litigation which the Directors believe may result in a possible loss has been disclosed.

6.4 Material changes

There have been no material changes in the financial or trading position of Huge and its subsidiaries between the publication of its interim results for the six months ended 31 August 2019 and the Last Practicable Date.

6.5 Share trading history

Annexure 4 contains the aggregate volume and value of the Huge 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
- month over the 12 months preceding the Last Practicable Date.

7. INFORMATION RELATING TO THE DIRECTORS

7.1 Information relating to the Board

There will be no changes to the Board as a result of the Specific Issues.

7.2 Directors interests in securities

The table below reflects the direct and indirect interests of Directors and their associates in the issued Share capital of Hugel at the Last Practicable Date.

Director	Direct beneficial	Indirect beneficial	Total	Percentage %
JC Herbst	268 370	24 445 549	24 713 919	14.1
CWJ Lyons	–	200 000	200 000	0.1
Total	268 370	24 645 549	24 913 919	14.2

- The indirect shareholding of JC Herbst is a shareholding held through his associates, being Eagle Creek Investments 223 Proprietary Limited, Pacific Breeze Trading 417 Proprietary Limited and Silver Meadow Trading 3 Proprietary Limited.
- The indirect shareholding of CWJ Lyons is a shareholding held through his associates, being Ms ER Lyons, Ms TA Lyons and Ms CJD Lyons.

7.3 Directors interests in transactions

Other than as disclosed in paragraph 2.1, no Directors have any interest in the Specific Issues.

7.4 Directors service contracts and remuneration

All the Executive Directors of Hugel have employment contracts, the terms of which are set out in the remuneration report contained in the Company's Integrated Report for the year ended 28 February 2019.

The Directors' remuneration will not be varied as a consequence of the Specific Issues, however the remuneration of the Executive Directors will, in the long term, be increased by the value of the Options exercised.

8. EXPENSES

The costs and expenses (excluding VAT) of the Specific Issues payable by Hugel are set out below.

		R'000
Transaction Sponsor	Questco Corporate Advisory	100
Independent Expert	Moore	85
Independent Reporting Accountants	Mazars	80
Legal Advisors	Herbert Smith Freehills South Africa LLP	113
Tax Advisors	Grayston Elliot	22
Documentation Fees and Rulings	JSE Limited	50
Printing, distribution and publishing	Ince	50
Meeting Scrutineers	The Meeting Specialist	6
Total		506

9. CONSENTS

The Transaction Sponsor, Independent Expert, Transfer Secretaries, Legal Advisors, Tax Advisors, Independent Reporting Accountants and Meeting Scrutineers have consented in writing to act in the capacity stated, and have not, prior to the Last Practicable Date, withdrawn their written consents for inclusion of their names in this Circular and, in the case of the Independent Expert and Independent Reporting Accountants, their report being included in the Circular in the form and context in which it appears.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on the inside front cover of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any

statement false or misleading, and that they have made all reasonable enquiries in this regard to ascertain such facts and certify that, to the best of their knowledge and belief, the Circular contains all information required by the Listings Requirements and by law.

11. **DIRECTORS' OPINION AND RECOMMENDATIONS**

The Independent Board has considered the terms of the Options and hence the Specific Issues, and the opinion provided by the Independent Expert and is of the opinion that the terms and conditions thereof are fair to Shareholders.

The opinion of the Independent Expert states that the Specific Issues are unfair to Shareholders but the Independent Expert concedes in its opinion that the benefits received or to be received by Huge Shareholders may be reflected in the future performance and growth of the Company but that it is inherently difficult to quantify the value of this benefit on the grant date of the Options. The Independent Expert's inability to determine the value of this benefit on the grant date of the Options makes it inherently difficult for the Independent Expert to be able to arrive at a conclusion that the Options, and hence the Specific Issues, will be fair to Shareholders.

The Independent Board is of the view that if the Independent Expert was able to quantify the value of this benefit it would arrive at the conclusion that the Options and hence the Specific Issues are fair to Shareholders.

The rationale for the award of Options is to reward the Executives for past performance, encourage future performance and incentivise the Executives to remain employed by the Company. If the Executives are not able to grow the Company, the Independent Board is of the view that it is highly probable that the price of a Huge Share will never exceed the Strike Price and that the Executives will not receive any benefit at the expense of the Shareholders. On the other hand, if the Executives are able to grow the Company and this growth is reflected in a higher price of a Huge Share, Shareholders will benefit from an increase in the value of their investment in Huge (as reflected in the higher price of a Huge Share) and will end up sharing this benefit with the Executives. Based on the potential maximum dilution if the Executives exercise all of their Options at the Strike Price, Shareholders will only share a fraction of this benefit with the Executives. For the purposes of illustrating this point, if the price of a Huge Share increases by 500 cents from 531 cents to 1031 cents and the Executives exercise all of their Options, the increase in the value of all the Huge Shares in issue will have increased by R878 million, based on 175 627 077 Huge Shares in issue, and the cost to Shareholders of this increase in value will amount R78.75 million, being Options over 15 750 000 underlying Huge Shares multiplied by the increase in the price of a Huge Share, of 500 cents.

The Independent Board accordingly recommends that Shareholders vote in favour of the Resolutions set out in the Notice.

12. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the Company's offices from the date of distribution of this Circular until the date of the General Meeting:

- the Memoranda of Incorporation of Huge and its major subsidiaries;
- the Executive Option Agreements;
- a signed copy of this Circular;
- the audited consolidated annual financial statements of Huge for the three years ended 28 February 2019, 28 February 2018 and 28 February 2017;
- the reviewed condensed consolidated interim financial statements of Huge for six months ended 31 August 2019;
- the Independent Expert's Report included in this Circular as **Annexure 1**; and
- the written consents from each of the experts referred to in paragraph 9.

Signed in Johannesburg by JC Herbst on behalf of all the Directors on 28 January 2020 in terms of a directors' round robin resolution.

JC HERBST
Chief Executive Officer

INDEPENDENT EXPERT'S REPORT

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21 January 2020

The Directors
Huge Group Limited
Unit 6, 1 Melrose Boulevard
Melrose Arch
Johannesburg
2076

INDEPENDENT EXPERT'S FAIRNESS OPINION TO HUGE GROUP LIMITED ("HUGE" OR THE "COMPANY") RELATING TO A SPECIFIC ISSUE FOR CASH TO A RELATED PARTY IN TERMS OF SECTION 5 OF THE JSE LISTINGS REQUIREMENTS

1. INTRODUCTION

Shareholders are referred to the SENS announcement published on 30 August 2019 wherein shareholders were advised that Huge has concluded Executive Option Agreements (the "Transactions") with James Herbst, Andrew Openshaw and Samantha Sequeira (collectively, the "Executives"). The Transactions were concluded on 29 August 2019 (the "Effective Date"). Each Executive Option Agreement contemplates the granting by the Company to the Executives of a right to subscribe for a number of ordinary shares in the Company at a strike price equal to the 30-day volume-weighted average price ("VWAP") of a Huge ordinary share on the Effective Date (the "Options"). The Executive Option Agreements are subject to approval by the Shareholders.

The Options have been granted at a strike price of R5.31, being the 30-day VWAP of one Huge ordinary share as at 29 August 2019 and shall vest in three equal tranches commencing on 1 March 2020 ("Option 1"), 1 March 2021 ("Option 2") and 1 March 2022 ("Option 3") and expire on 28 February 2025, 28 February 2026 and 28 February 2027 respectively.

A summary of the Options granted to each Executive is presented below:

Executive	Position	Number of options granted			
		Option 1	Option 2	Option 3	Total
James Herbst	Chief Executive Officer	2 500 000	2 500 000	2 500 000	7 500 000
Andrew Openshaw	Chief Operating Officer	2 500 000	2 500 000	2 500 000	7 500 000
Samantha Sequeira	Chief Financial Officer	250 000	250 000	250 000	750 000

The principal terms of the Options are detailed in the Circular to shareholders issued on/or about 29 January 2020 (the “Circular”) and are summarised as:

- The Executives shall be entitled to exercise the Options on multiple occasions and on any business day during the relevant option periods.
- The exercise price of the Options shall be the 30-day VWAP on the option exercise date (“Exercise Price”).
- The Executives shall be entitled to forfeit a portion of the vested options and apply the settlement value (being the number of forfeited options multiplied by the difference between the Strike Price and the Exercise Price) in full or partial settlement of the subscription consideration.
- The Company may elect to discharge its obligation to the Executives either by way of an issue of shares or a cash settlement.
- In the event an Executive ceases to be an employee of the Company he/she shall forfeit the remaining vested and unexercised options as well as the unvested options.
- In the event that the Company is involved in any corporate action which would result in a change of control of the Company, the Executive shall be entitled to deliver an Option Exercise Notice in respect of the Options over all the Designated Shares which have not yet been exercised or forfeited in terms of an Option Exercise Notice, notwithstanding that some or all of the Options may not have vested.
- In the event that the Shares are subject to a division or consolidation in terms of section 114 of the Companies Act (or for any other reason), the number of Designated Shares and/or the Strike Price will be adjusted to the extent necessary to place the Company and the Executive in the equivalent economic position in respect of the Options.

The rationale for the Options is to award the Executives for past performance, encourage future performance and incentivise the Executives to remain employed by the Company.

2. **SCOPE**

As the Executive Directors are related parties in relation to Huge, and the Options constitute a specific issue of options for cash to related parties (the “Specific Issue”) the board of directors of Huge (“Directors” or “Board”) are required to obtain a fairness opinion from an independent expert confirming whether the Executive Option Agreements are fair insofar as shareholders of Huge are concerned, excluding the related parties, in terms of section 5.53(b)(i) of the Listing Requirements.

Moore Corporate Services Cape Town Proprietary Limited (“Moore”) has been appointed by the Board as the independent expert (“Independent Expert”) to provide an independent fairness opinion on the Executive Option Agreements (“Fairness Opinion”).

3. **RESPONSIBILITY**

Compliance with the Listings Requirements is the responsibility of the Board. Our responsibility is to report to the directors and Shareholders of Huge on the fairness of the terms of the Executive Option Agreements.

4. **EXPLANATION AS TO HOW THE TERM “FAIR” APPLIES IN THE CONTEXT OF THE TRANSACTIONS**

Schedule 5.7 of the Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. In the context of the Executive Option Agreements, the Options will be considered fair to the Huge Shareholders if the consideration received from the issuing of the Options is equal to or greater than the value surrendered by the Shareholders.

With reference to the Options and the above definition of “fairness”, the Options will be considered fair if the benefits received by the Huge Shareholders, in the form of the past and future performance of the Executives, including their retention, exceeds the value of the Options upon the date of grant.

We have applied the aforementioned principle in preparing our opinion on the Options. This Fairness Opinion does not purport to cater for individual shareholders’ positions but rather the general body of shareholders subject to the Specific Issue. A shareholder’s decision regarding fairness of the terms of the Executive Option Agreements may be influenced by his or her particular circumstances (for example taxation and the original price paid for the shares). Should a shareholder be in doubt, he or she should consult an independent adviser as to the merits of the Executive Option Agreements, considering his/her personal circumstances.

5. DETAILS AND SOURCES OF INFORMATION

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

- Information on Huge, including its history, the nature of its business, services, key customers, industry and competitors.
- Share price, volume of trading and other share trading statistics of Huge on the JSE.
- Audited annual financial statements of Huge for the three years ended 28 February 2019, 2018 and 2017.
- Selected publicly available information relating to industries in which Huge operates, obtained from management and public sources.
- SENS announcement dated 30 August 2019 and the agreements and addendums relating to the Options.
- Selected macroeconomic analysis and forecasts from various South African banks and research institutions.
- Representations and assumptions made available by, and discussions held with, the management of Huge.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in deriving our Fairness Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purposes of our Fairness Opinion, whether in writing or obtained in discussion with Huge management, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, *inter alia*, the annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

6. PROCEDURES PERFORMED

In arriving at our opinion, we have undertaken the following procedures in evaluating the fairness of the Options:

- Considered the rationale for the Options, as represented by Huge management and its advisors.
- Reviewed all the terms of the Executive Option Agreements and addendums.
- Prepared a valuation of the Options in accordance with generally accepted valuation approaches and methods. We have prepared the valuation of the Options using The Binomial Option Pricing Model. The Binomial Option Pricing Model is widely used and provides a numerical method for the valuation of options and is more appropriate in the valuation of American Call Options.
- Where relevant, corroborated representations made by Huge management to source documents.
- Reviewed certain publicly available information relating to Huge and the industry in which it operates that we deemed to be relevant, including company announcements and media articles.
- Performed an analysis of other information considered pertinent to our valuation and Fairness Opinion.

We have not interviewed any of the Huge Shareholders to obtain their views on the Options.

Based on the results of the procedures mentioned above, we determined the fairness of the Options to Huge Shareholders. We believe that the above considerations justify the conclusion outlined below.

7. VALUATION

We have performed a valuation of the Options as at 29 August 2019, the grant date of the options, using the Binomial Option Pricing Model to determine whether the granting of the Options is fair to the shareholders of Huge.

We identified the following internal and external key value drivers (Inputs for the Binomial Option Pricing Model):

- The share price of Huge on 29 August 2019, the date that the Options were granted was R5.65.
- The exercise price of the Options is R5.31.
- The time to exercise the Options being five years from the date on which each of Option 1, Option 2 and Option 3 vests.
- The number of steps for each option period is 1 000.
- The risk-free rate based on the R186 government bond yield, being 8.19% on 29 August 2019.
- The historic annual volatility of a Huge share, based on the most recent 12-month period is 42.59% determined with reference to the standard deviation of the daily closing share price movements. The historic volatility of a Huge share over the most recent 12-month period is considered the most

appropriate bench mark in determining the possible magnitude of future stock price movements as this period excludes large corporate activity such as the acquisition of Huge Connect in March 2017.

- The Company's average historic dividend yield is 2.35%.

The underlying assumptions in the Binomial Option Pricing Model are as follows:

- There is no arbitrage opportunity (i.e. there is no way to make a risk-free profit).
- It is possible to borrow and lend any amount, even fractional, of cash at the risk-free rate.
- It is possible to buy and sell any amount, even fractional, of the stock (this includes short selling).
- The transactions do not incur any fees or costs (i.e., frictionless market).

Sensitivity analysis was performed considering the key variable inputs relating to the Binomial Option Pricing Model. The valuation involved a stress test and sensitivity on these key inputs, the results of which were:

	Risk-free rate			Volatility			Dividend pay-out		
	From	To	Change in valuation	From	to	Change in valuation	From	To	Change in valuation
Option 1	8.19%	9.19%	3.20%	42.59%	43.59%	1.33%	2.14%	3.14%	(7.00)%
Option 2	8.19%	9.19%	3.20%	42.59%	43.59%	1.28%	2.14%	3.14%	(7.48)%
Option 3	8.19%	9.19%	3.17%	42.59%	43.59%	1.24%	2.14%	3.14%	(7.89)%

8. ASSUMPTIONS

Our opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions will not change materially.
- Huge is not involved in any material legal proceedings other than those conducted in the ordinary course of business and/or as disclosed in the Circular.
- Huge will pay continuous dividends in the future, and that the historic dividend yield is representative of the forecast dividend yield.
- There are no undisclosed contingencies that could affect the value of the Options.
- The agreements that have been entered into in terms of the Options will be legally enforceable.
- The Options will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Huge.
- Reliance can be placed on the financial information of Huge.
- For the purposes of this Fairness Opinion of the Independent Expert, we assumed Huge's existing businesses to be ongoing under current business plans and management.
- Representations made by Huge management and their advisors during the course of forming this Fairness Opinion of the Independent Expert.

9. APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our Fairness Opinion by:

- Reliance on audit reports in the financial statements of Huge.
- Conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses.
- Comparing and corroborating such information and assumptions with external sources of information, to the extent that if such information was available.
- Determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of Huge as well as the economic environment in which it operates.

10. VALUATION RESULTS

In undertaking the valuation exercise of Options above, we determined a core valuation as follows:

- Option 1 (1 March 2020 to 28 February 2025): R2.52 per share.
- Option 2 (1 March 2021 to 28 February 2026): R2.67 per share.

- Option 3 (1 March 2022 to 28 February 2027): R2.80 per share.
- The valuation of the sum of all the Options is R41 988 579.

The above valuation is provided solely in respect of this Fairness Opinion and should not be used for any other purposes.

11. **OPINION**

The benefits received and/or receivable by Huge Shareholders from the granting by the Company of the Options include the past and future performance of the executives, including their retention. Whilst it may be reasonable to presume that the benefits received or to be received by Huge Shareholders may be reflected in the future performance and growth of the Company, it is inherently difficult to quantify the value of this benefit on the grant date of the Options. Accordingly, based on the results of our procedures and the analysis performed and after taking into account all financial considerations, we are of the view that the Transactions Options are not fair to Huge Shareholders.

We have considered the terms and conditions of the Options as set out above, and our opinion is based on the current economic, market, regulatory and other conditions and the information made available to us by Huge management.

12. **INDEPENDENCE, COMPETENCE AND FEES AND LIMITING CONDITIONS**

We confirm that Moore has no independence issues relating to directorships, employment, owning shares, management and fees earned in Huge or related parties.

We confirm that Moore and the directors responsible for this assignment have the necessary competencies relating to internal control systems, quality control, experience and qualifications.

We confirm that we have no financial interest in and no relationship with Huge and/or the Options or the related parties. Furthermore, we confirm that our professional fees are not contingent upon the success of the Transactions.

We confirm that the scope of our procedures and work performed were not subject to any limiting conditions.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this report. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

This opinion is provided to the Board in connection with and for the purpose of the Transactions for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of Huge Shareholders. This opinion is prepared solely for the Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

This opinion is provided in terms of the Listing Requirements, the Act and the Regulations. It does not constitute a recommendation to any Huge Shareholder as to how to vote at any Shareholders' meeting relating to the Transactions or on any matter relating to it. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this opinion is used or relied upon for anything other than its intended purpose. Should an individual Huge Shareholder have any doubts as to what action to take, such Shareholder should consult an independent advisor.

The valuation of companies and businesses is not a precise science and conclusions arrived at will, in many cases, be subjective and dependent on the exercise of individual judgement.

13. **CONSENT**

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the Shareholders of Huge in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully



Moore Corporate Services Cape Town Proprietary Limited

Director: **Andrew Pitt**

Chartered Accountant (SA)

PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial effects of the Specific Issues, based on the reviewed condensed consolidated interim financial statements of Huge Group for the six months period ended 31 August 2019, are set out in the table below. The purpose of the *pro forma* financial information is to illustrate the effects of the Specific Issues, had it been effective 31 August 2019 for purposes of the *pro forma* consolidated Statement of Financial Position and 1 March 2019 for purposes of the *pro forma* consolidated Statement of Profit or Loss and Other Comprehensive Income. The *pro forma* financial information presented below does not purport to be indicative of the financial results and effects of the Specific Issues if it had been implemented on a different date.

The *pro forma* financial information has been prepared using IFRS-compliant accounting policies that are consistent with those applied in the reviewed consolidated interim financial statements of Huge Group for the six months period 31 August 2019.

The *pro forma* financial information has been prepared based on the assumptions indicated in this Annexure.

The *pro forma* financial information is presented in accordance with the Listings Requirements and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants.

The directors of Huge Group are responsible for the compilation, contents and preparation of the *pro forma* financial information included in this Circular.

The *pro forma* financial information should be read in conjunction with the Independent Reporting Accountants' assurance report thereon contained in **Annexure 3** to this Circular.

As the *pro forma* financial does not reflect the impact of the vesting of the Options (and therefore does not illustrate the three scenarios discussed in paragraph 2.3 of this Circular (due to the Option 1 Option Period commencing on 1 March 2020, which time is after the 31st of August 2019)), additional information to the *pro forma* financial information has been provided to Shareholders in order to better understand the impact of not only the granting of the Options but also to understand the exercising of the Options by the Executive.

The additional information to the *pro forma* financial information has been included within this Annexure.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2019

The pro forma consolidated statement of financial position as at 28 February 2019 has been prepared to show the impact of the Specific Issues as if it was effective on 31 August 2019.

	Huge Group as at 31 August 2019 ¹ R'000	Specific Issue of Options (Scenario 1) ³ R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 1 of the Specific Issue of Options R'000	Specific Issue of Options (Scenario 2) ^{3,5} R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 2 of the Specific Issue of Options R'000
As at 31 August 2019	1 043 467	-	-	1 043 467	-	-	1 043 467
Assets							
Non-current assets							
Property, plant and equipment	264 651	-	-	264 651	-	-	264 651
Right of use of asset	23 234	-	-	23 234	-	-	23 234
Goodwill	622 469	-	-	622 469	-	-	622 469
Intangible assets	20 553	-	-	20 553	-	-	20 553
Investment in subsidiary company	-	-	-	-	-	-	-
Investment in joint venture	599	-	-	599	-	-	599
Investment in associate companies	-	-	-	-	-	-	-
Loans to associate companies	60 720	-	-	60 720	-	-	60 720
Loans receivable	-	-	-	-	-	-	-
Contract assets	4 460	-	-	4 460	-	-	4 460
Investments at fair value	15 639	-	-	15 639	-	-	15 639
Deferred tax	31 142	-	-	31 142	-	-	31 142
Finance lease receivables	-	-	-	-	-	-	-
Current assets	131 793	-	-	131 287	-	-	131 287
Inventories	31 645	-	-	31 645	-	-	31 645
Loans to associate companies	-	-	-	-	-	-	-
Loans to shareholders	-	-	-	-	-	-	-
Loans receivable	6	-	-	6	-	-	6
Trade and other receivables	72 773	-	-	72 773	-	-	72 773
Contract assets	1 988	-	-	1 988	-	-	1 988
Finance lease receivable	-	-	-	-	-	-	-
Current tax receivable	3 855	-	-	3 855	-	-	3 855
Cash and cash equivalents	21 526	-	(506)	21 020	-	(506)	21 020
			(506)			(506)	
Total assets	1 175 260	-	(506)	1 174 754	-	(506)	1 174 754

	Huge Group as at 31 August 2019 ¹ R'000	Specific Issue of Options (Scenario 1) ³ R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 1 of the Specific Issue of Options R'000	Specific Issue of Options (Scenario 2) ^{3,5} R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 2 of the Specific Issue of Options R'000
As at 31 August 2019							
Equity and liabilities							
Equity	860 282		(506)	859 777		(506)	859 777
Share capital and share premium	605 533	-	-	605 533	-	-	605 533
Share-based payment reserve	9 240	-	-	9 240	-	-	9 240
Change in control reserve	(4 761)	-	-	(4 761)	-	-	(4 761)
Retained earnings	251 392	-	(506)	250 886	-	(506)	250 886
Equity attributable to equity holders of parent	861 404	-	(506)	860 899	-	(506)	860 899
Non-controlling interest	(1 122)	-	-	(1 122)	-	-	(1 122)
Non-current liabilities	155 555			155 555			(155 555)
Loans payable	1 560	-	-	1 560	-	-	(1 560)
Interest-bearing liabilities	90 977	-	-	90 977	-	-	(90 977)
Lease liabilities	16 458	-	-	16 458	-	-	(16 458)
Deferred income	4 943	-	-	4 943	-	-	(4 943)
Deferred tax liabilities	41 617	-	-	41 617	-	-	(41 617)
Current liabilities	159 423			159 423			(159 423)
Deferred income	5 200	-	-	5 200	-	-	(5 200)
Interest-bearing liabilities	87 560	-	-	87 560	-	-	(87 560)
Loans payable	3 046	-	-	3 046	-	-	(3 046)
Current tax payable	6 590	-	-	6 590	-	-	(6 590)
Lease liabilities	8 407	-	-	8 407	-	-	(8 407)
Trade and other payables	46 407	-	-	46 407	-	-	(46 407)
Bank overdraft	2 213	-	-	2 213	-	-	(2 213)
Total liabilities			(506)			(506)	
Total equity and liabilities	1 175 260		(506)	1 174 754	-	(506)	1 174 754

	Huge Group as at 31 August 2019 ¹ R'000	Specific Issue of Options (Scenario 1) ³ R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 1 of the Specific Issue of Options R'000	Specific Issue of Options (Scenario 2) ^{3,5} R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 2 of the Specific Issue of Options R'000
As at 31 August 2019							
Number of shares in issue	175 627	175 627	175 627	175 627	175 627	175 627	175 627
Weighted average number of shares in issue	164 774	164 774	164 774	164 774	164 774	164 774	164 774
Net asset value (R'000)	860 282	-	(506)	859 776	-	(506)	859 776
Tangible net asset value (R'000)	217 260	-	(506)	216 754	-	(506)	216 754
Net asset value per share (cents)	489.84	-	(0.29)	489.55	-	(0.29)	489.55
Tangible net asset value per share (cents)	123.71	-	(0.29)	123.71	-	(0.29)	123.71

Notes and assumptions to the pro forma Statement of Financial Statement

1. The Statement of Financial Position has been extracted, without modification, from the published reviewed condensed consolidated interim financial results for the six months ended 31 August 2019, on which the external auditors issued an unmodified review report. Their report highlights the continued consolidation of the ConnectNet Incentive Trust, in respect of which they had previously issued a qualified audit opinion.
2. It is assumed that the Specific Issues took effect on 31 August 2019 for purposes of the statement of financial position.
3. Included in the Specific Issue of Options (for both Scenario 1 and Scenario 2) is an increase in the IFRS 2 share-based payment reserve recognised as if the transaction is effective on 31 August 2019, the end of the interim financial period, to measure the fair value of the services received by the Company from the Executives. The share-based payment has been recognised over the relevant vesting period commencing at the end of the interim financial period, resulting in a zero charge in the statement of financial position. Had the Specific Issues taken effect at the beginning of the interim period (i.e. 1 March 2019), the IFRS 2 share-based payment reserve would have increased by R 12 577 469, which would be equal to the IFRS 2 expense that is recognised within the pro forma Statement of Comprehensive Income.
4. Transaction costs estimated at R506 000 as detailed in note 8 of the Circular are related to the Specific Issues to the Executives and have been deducted from Equity.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 AUGUST 2019

The *pro forma* consolidated statement of comprehensive income as at 31 August 2019 has been prepared to show the impact of the Specific Issues as if it was effective on 31 August 2019.

	Huge Group as at 31 August 2019 ¹ R'000	Specific Issue of Options (Scenario 1) ³ R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 1 Specific Issue of Options R'000	% change	Specific Issue of Options (Scenario 2) ^{3,5} R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 2 Specific Issue of Options R'000	% change
Total revenue	244 676	-	-	244 676	-	-	-	244 676	-
Gross profit	180 282	-	-	180 282	-	-	-	180 282	-
Other income	4 312	-	-	4 312	-	-	-	4 312	-
Operating expenses	(107 357)	(12 577)	(506)	(120 440)	12.2	(12 577)	(506)	(120 440)	12.2
Movement in credit loss allowance	(5 583)	-	-	(5 583)	-	-	-	(5 583)	-
Operating profit	71 655	(12 577)	(506)	58 571	(18.3)	(12 577)	(506)	58 571	(18.3)
Investment income	2 573	-	-	2 573	-	-	-	2 573	-
Share of (losses)/earnings from equity accounted investments	(8)	-	-	(8)	-	-	-	(8)	-
Gain on sale of investment	-	-	-	-	-	-	-	-	-
Reversal of impairment on investment in subsidiary company	-	-	-	-	-	-	-	-	-
Finance costs	(10 125)	-	-	(10 125)	-	-	-	(10 125)	-
Finance costs (IFRS 16)	(728)	-	-	(728)	-	-	-	(728)	-
Profit before taxation	63 367	(12 577)	(506)	50 282	(20.6)	(12 577)	(506)	50 282	(20.6)
Income tax credit/(expense)	(12 673)	-	-	(12 673)	-	3 522	-	(9 151)	(27.8)
Net profit for the period	50 694	(12 577)	(506)	37 609	(25.8)	(9 056)	(506)	41 131	(18.9)
Non-controlling interest	2 198	-	-	2 198	-	-	-	2 198	-
Net profit attributable to owners of the company	48 496	(12 577)	(506)	35 411	(27.0)	(9 056)	(506)	38 933	(19.7)

	Huge Group as at 31 August 2019 ¹ R'000	Specific Issue of Options (Scenario 1) ³ R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 1 Specific Issue of Options R'000	% change	Specific Issue of Options (Scenario 2) ^{3,5} R'000	Transaction Costs ⁴ R'000	Pro forma after Scenario 2 Specific Issue of Options R'000	% change
Basic earnings per share (cents)	29.43	(7.63)	(0.31)	21.49	(27.0)	(7.63)	(0.31)	21.49	(27.0)
Headline earnings per share (cents)	29.21	(7.63)	(0.31)	21.27	(27.2)	(7.63)	(0.31)	21.27	(27.2)
Diluted basic earnings per share (cents)	29.37	–	–	21.49	(26.8)	–	–	21.49	(26.8)
Diluted headline earnings per share (cents) ⁶	29.14	–	–	21.27	(27.0)	–	–	21.27	(27.0)
Share price (cents) ⁽¹⁾	594.00	594.00	594.00	594.00	–	594.00	594.00	594.00	–
Price earnings multiple	20.18			27.64	36.95			27.64	36.95

⁽¹⁾ Closing share price on 31 August 2019.

Notes and assumptions to the pro forma statement of comprehensive income

- The Statement of Comprehensive Income has been extracted, without modification, from the published reviewed condensed consolidated interim financial results for the six months ended 31 August 2019, on which the external auditors issued an unmodified review report. Their report highlights the continued consolidation of the ConnectNet Incentive Trust, in respect of which they had previously issued a qualified audit opinion.
- It is assumed that the Specific Issues took effect from 1 March 2019 for the purposes of the Statement of Comprehensive Income.
- Included in the Specific Issue of Options (for both Scenario 1 and Scenario 2) is an increase in the IFRS 2 share-based payment expense recognised as if the transaction is effective on 1 March 2019, the beginning of the interim financial period, to measure the fair value of the services received by the Company from the Executives (with reference to the fair value of the Options as at 31 August 2019, the end of the interim financial period). The value of the share-based payment has been calculated with reference to an independent valuation obtained. The expense has been recognised over the relevant vesting period, which has been assumed to be from the beginning of the interim financial period over 1, 2 and 3 years respectively to the "Date of vesting" as indicated in paragraph 2.1 of the Circular. It is assumed that all Executives will satisfy the service conditions associated with the executive option agreements. These transactions continue over the vesting period.
- Transaction costs estimated at R506 000 as detailed in note 8 of the Circular are related to the Specific Issues and have been recognised as operating expenses.
- If the Company elects to discharge its obligation to the Executive in accordance with Scenario 2, a Cash Settlement Amount will be paid to the Executive and will qualify as an expense which will be deductible for tax purposes by Huge. This would be in terms of section 11(a) (read with section 23(g)) of the Income Tax Act. A taxation credit will therefore be recognised within the Statement of Comprehensive Income. The tax effect has been calculated with reference to an independent tax opinion obtained at an effective income tax rate of 28%.
- In accordance with IAS 33 Earnings per Share, paragraph 47A, neither Scenario 1 nor Scenario 2 will have a dilutive effect on either of the basic and headline earnings per share as the average market price of Huge Shares during the period does not exceed the exercise price of the Options, as determined with reference to Illustrative Example 5A *Determining the exercise price of employee share options*.

ADDITIONAL INFORMATION TO THE PRO FORMA FINANCIAL INFORMATION TO ILLUSTRATE THE IMPACT OF THE EXERCISE OF THE OPTIONS BY EXECUTIVE DIRECTORS

Additional assumptions and notes to the pro forma financial information

1. With reference to paragraph 2.4, the Company would in all likelihood elect to discharge its obligations to the executive (in respect of the Subscription Shares to be issued to the executive) on the Option Settlement Date by issuing the Subscription Shares to the executive ("Scenario 1"), as:
 - a. Scenario 1 would have commercial substance as the Company would be practically able to do so and most likely will do so as the settlement in equity instruments would be the preferred option;
 - b. the Company has no past practice or stated policy of settling these types of arrangements in cash; and
 - c. there is no practice of generally settling in cash whenever the counterparty asks for cash settlement.
 Therefore, in accordance with IFRS 2 *Share-based payment* (paragraph 2.41), the Company has no present obligation to settle in cash.
2. Following from the above the Company will in all likelihood not elect to discharge its obligations to the executive by way of Scenario 2. If the Company were ever to elect to discharge its obligations to the executives in terms of Scenario 2, the deferred tax asset that would have been recognised at the time of settlement would reverse, with a correlating decrease in the current tax liability.
3. If, at the Option Settlement Date, the Company discharges its obligations to the executive by issuing Subscription Shares to the executive under Scenario 1, and the fair value of Scenario 1 is higher than fair value of Scenario 2, an additional IFRS 2 expense must be accounted for on settlement in order to record the excess value given to the executive. This would be in accordance with IFRS 2 *Share-based payment* (paragraph 2.43(c)). (This principle also applies to settlement under Scenario 2).

Settlement of Options – Effects of various scenarios described in paragraph 2.3 of the Circular

The following illustrative tables and accounting narratives are included within the Circular for the purposes of reflecting the impact of the issue of the shares and the three settlement scenarios discussed under paragraph 2.3.

1. **Paragraph 2.3.1 – Executive directors elect (in the Option Exercise Notice) not to forfeit any Vested Options, by effecting payment to the Company of the total Subscription Consideration in cash**

Total number designated shares	Total number of shares issued by Company upon executive directors electing not to forfeit any Vested Options			Total Subscription Consideration received by Company from executive*		
	Option 1 Option Period	Option 2 Option Period	Option 3 Option Period	Option 1 Option Period	Option 2 Option Period	Option 3 Option Period
15 750 000	5 250 000	5 250 000	5 250 000	R27 877 500	R27 877 500	R27 877 500

* Assumptions of the effects of the Settlement Option (paragraph 2.3.1 of the Circular)

Assumption 1

Executive directors would exercise all of their Vested Options:

- on the same day, being the first day of each of the three Option Periods; and
- none of the Vested Options would be forfeited by the executive directors.

Strike Price	R5.31	<i>As per the executive Option Agreements</i>
Effective Price	R10.62	<i>Assumption made for illustrative purposes</i>

2. **Paragraph 2.3.2 – where the Settlement Value is equal to the Subscription Consideration, the executive directors forfeit the Forfeited Options and apply the Settlement Value in full settlement of the Subscription Consideration**

Total number designated shares	Total number of shares issued by Company upon the executive directors forfeiting 50% of their Vested Options and exercising 50% of their Vested Options			Net total cash received by Company due to executive applying the Settlement Value in full settlement of the Subscription Consideration**		
	Option 1 Option Period	Option 2 Option Period	Option 3 Option Period	Option 1 Option Period	Option 2 Option Period	Option 3 Option Period
15 750 000	2 625 000	2 625 000	2 625 000	R0	R0	R0

** Assumptions of the effects of the Settlement Option (paragraph 2.3.2 of the Circular)

Assumption 1

Executive Directors would exercise 50% of their Vested Options:

- on the same day, being the first day of each of the three Option Periods; and
- 50% of the Vested Options would be forfeited by the Executive Directors.

Strike Price	R5.31	<i>Executive Option Agreements</i>
Effective Price on Option Exercise Date	R10.62	<i>Assumption made for illustrative purposes</i>
Forfeiting factor	50%	<i>Assumed that 50% of 5 250 000 shares (for each Option period) will be forfeited</i>
Exercise factor	50%	<i>Assumed that 50% of 5 250 000 shares (for each Option period) will be exercised due to 50% of the Vested Options elected to have been forfeited by the executive directors</i>

Settlement Value for all Option Periods	R41 816 250.00	Assumed that a total of 7 875 000 Vested Options are forfeited by the executive directors at an exercise price of R10.62, resulting in a settlement value of: 7 875 000 x (R10.62 – R5.31)
Subscription Consideration for all Option Periods	R41 816 250.00	Assumed that a total of 7 875 000 Vested Options are subscribed for as designated shares by the Executive Directors
Difference	R0.00	Settlement Value equals to Subscription Consideration

3. Paragraph 2.3.3 – where the Settlement Value is less than the Subscription Consideration, the Executive Directors forfeit the Forfeited Options and apply the Settlement Value in partial settlement of the Subscription Consideration and makes payment in cash of the remaining amount into the Company's bank account.

Total number designated shares	Total number of shares issued by Company upon the executive directors forfeiting 25% of their Vested Options and exercising 75% of their Vested Options			Net total cash received by Company due to executive applying the Settlement Value in partial settlement of the Subscription Consideration***		
	Option 1 Option Period	Option 2 Option Period	Option 3 Option Period	Option 1 Option Period	Option 2 Option Period	Option 3 Option Period
15 750 000	3 937 500	3 937 500	3 937 500	R13 938 750	R13 938 750	R13 938 750

*** Assumptions of the effects of the Settlement Option (paragraph 2.3.3 of the Circular)

Assumption 1

Executive Directors would exercise a portion of the Vested Options (i.e. 75% thereof):

- on the same day, being the first day of each of the three Option Periods; and
- 25% of the Vested Options would be forfeited by the Executive Directors.

Strike Price	R5.31	Executive Option Agreements
Effective Price on Option Exercise Date	R10.62	Assumption made for illustrative purposes
Forfeiting factor	25%	Assumed that 25% of 5 250 000 shares (for each Option period) will be forfeited
Exercise factor	75%	Assumed that 75% of 5 250 000 shares (for each Option period) will be exercised due to 25% of the Vested Options elected to have been forfeited by the Executive Directors
Settlement Value for all Option Periods	R20 908 125.00	Assumed that a total of 3 937 500 Vested Options are forfeited by the executive directors at an exercise price of R10.62, resulting in a settlement value of: 3 937 500 x (R10.62 – R5.31)
Subscription Consideration for all Option Periods	R62 724 375.00	Assumed that a total of 11 812 500 Vested Options are subscribed for as Designated Shares by the Executive Directors
Difference	R41 816 250.00	Settlement Value is less than the Subscription Consideration

ACCOUNTING NARRATIVES FOR EACH OF THE THREE SCENARIOS AS PER PARAGRAPH 2.3

Accounting narration	Financial year		
Type of settlement of Vested Option	FY2020	FY2021	FY2022
Paragraph 2.3.1 (no forfeiture of Vested Options)	<p>Upon exercise of the Vested Options, the Company will:</p> <p>(i) receive cash to the value of R27 877 500 (Subscription Consideration); and</p> <p>(ii) issue additional share capital (5 250 000 Huge Shares) at an equivalent value to the cash received from the Executive Directors.</p>	<p>Upon exercise of the Vested Options, the Company will:</p> <p>(i) receive cash to the value of R27 877 500 (Subscription Consideration); and</p> <p>(ii) issue additional share capital (5 250 000 Huge Shares) at an equivalent value to the cash received from the Executive Directors.</p>	<p>Upon exercise of the Vested Options, the Company will:</p> <p>(i) receive cash to the value of R27 877 500 (Subscription Consideration); and</p> <p>(ii) issue additional share capital (5 250 000 Huge Shares) at an equivalent value to the cash received from the Executive Directors.</p>
Paragraph 2.3.2 (Settlement Value equal to Subscription Consideration)	<p>As the Executive Directors would exercise 50% of their respective Vested Options, the Company would issue 2 625 000 Huge Shares to the Executive Directors.</p> <p>As the Settlement Value would equal the Subscription Consideration, the Company would not receive any cash from the Executive Directors.</p>	<p>As the Executive Directors would exercise 50% of their respective Vested Options, the Company would issue 2 625 000 Huge Shares to the Executive Directors.</p> <p>As the Settlement Value would equal the Subscription Consideration, the Company would not receive any cash from the Executive Directors.</p>	<p>As the Executive Directors would exercise 50% of their respective Vested Options, the Company would issue 2 625 000 Huge Shares to the Executive Directors.</p> <p>As the Settlement Value would equal the Subscription Consideration, the Company would not receive any cash from the Executive Directors.</p>
Paragraph 2.3.3 (Settlement Value less than Subscription Consideration)	<p>As the Executive Directors would exercise 75% of their respective Vested Options, the Company would issue 3 937 500 Huge Shares to the Executive Directors.</p> <p>Upon exercise of 75% of the Vested Options, the Company will receive cash to the value of R13 938 750 (Subscription Consideration less Settlement Value) from the Executive Directors. Accordingly, the company will recognise additional share capital at an equivalent value to the cash received from the Executive Directors.</p>	<p>As the Executive Directors would exercise 75% of their respective Vested Options, the Company would issue 3 937 500 Huge Shares to the Executive Directors.</p> <p>Upon exercise of 75% of the Vested Options, the Company will receive cash to the value of R13 938 750 (Subscription Consideration less Settlement Value) from the Executive Directors. Accordingly, the company will recognise additional share capital at an equivalent value to the cash received from the Executive Directors.</p>	<p>As the Executive Directors would exercise 75% of their respective Vested Options, the Company would issue 3 937 500 Huge Shares to the Executive Directors.</p> <p>Upon exercise of 75% of the Vested Options, the Company will receive cash to the value of R13 938 750 (Subscription Consideration less Settlement Value) from the Executive Directors. Accordingly, the company will recognise additional share capital at an equivalent value to the cash received from the Executive Directors.</p>

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION



20 January 2020

The Directors
Huge Group Limited
Unit 6, 1 Melrose Boulevard
Melrose Arch
Johannesburg
2076

Independent Reporting Accountant's Assurance Report on the compilation of the *Pro forma* Financial Information

Introduction

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Huge Group Limited ("Huge Group" or "the Company") by the directors of Huge Group ("directors").

The *pro forma* financial information, as set out in **Annexure 2** of the Circular relating to the Proposed Transactions, consists of the consolidated Statement of Financial Position and consolidated Statement of Comprehensive Income (collectively the "*Pro forma* Financial Information") and related notes. The *Pro forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *Pro forma* Financial Information has been compiled by the directors to illustrate the impact of the corporate actions or events, described in paragraph 2 of the Circular, on the Company's financial position as at 31 August 2019, and the Company's financial performance for the period then ended, as if the corporate action or event had taken place at 31 August 2019 for the *pro forma* consolidated Statement of Financial Position and 1 March 2019 for the *pro forma* consolidated Statement of Comprehensive Income. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's reviewed condensed consolidated interim financial results for the six months ended 31 August 2019, on which an unmodified review opinion was issued.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements, described in **Annexure 2** of the Circular and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("Applicable Criteria").

Our independence and quality control

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

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

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

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

The purpose of *Pro forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 August 2019 would have been as presented.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used in the compilation of the *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- the *Pro forma* Financial Information reflects the proper application of those adjustments to the unadjusted Reviewed Financial Information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate actions or events in respect of which the *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.



MAZARS

Partner: **Duncan Dollman**

Registered Auditor

Chartered Accountants (SA)

Mazars House

Rialto Road

Grand Moorings Precinct

Century City, 7441

SHARE TRADING HISTORY

The Share trading history of Huge Shares on the JSE is set out below:

Date – 2019/2020	High (cents)	Low (cents)	Value R'000	Volume '000
3 December 2019	520	519	52	10
4 December 2019	510	455	57	12
5 December 2019	510	500	19	4
6 December 2019	510	510	5 685	1 115
9 December 2019	510	455	–	–
10 December 2019	520	456	165	33
11 December 2019	540	510	5	1
12 December 2019	540	529	68	13
13 December 2019	580	540	–	–
17 December 2019	540	540	–	–
18 December 2019	540	461	60	12
19 December 2019	560	510	–	–
20 December 2019	560	510	–	–
23 December 2019	539	510	5	1
24 December 2019	540	490	–	–
27 December 2019	510	510	–	–
30 December 2019	525	505	51	10
31 December 2019	549	545	13	3
2 January 2020	549	490	–	–
3 January 2020	490	490	–	–
6 January 2020	510	510	1	–
7 January 2020	539	539	3	1
8 January 2020	549	534	32	6
9 January 2020	510	510	0	0
10 January 2020	550	500	433	84
13 January 2020	512	512	0	0
14 January 2020	530	512	13	3
15 January 2020	535	534	1 241	232
16 January 2020	550	535	41	8
17 January 2020*	550	545	42	8

Month ended	High (cents)	Low (cents)	Value R'000	Volume '000
December 2019	580	455	6 626	1 216
November 2019	520	440	1 475	302
October 2019	550	446	6 302	1 301
September 2019	590	541	1 767	315
August 2019	630	526	4 730	809
July 2019	650	525	6 265	1 120
June 2019	600	537	633	110
May 2019	580	500	776	146
April 2019	759	500	2 022	309
March 2019	790	680	661	85
February 2019	800	700	1 489	188
January 2019	890	700	2 280	280

* Last Practicable Date



Huge Group Limited

(Registration number 2006/023587/06)
JSE share code: HUG
A2X share code: HUG
ISIN: ZAE000102042
("Huge Group" or "the Company")

NOTICE OF GENERAL MEETING

Terms defined in the Circular to which this Notice is attached bear a corresponding meaning in this Notice.

Notice is hereby given that a meeting of the Shareholders will be held on Wednesday, 26 February 2020 at 10:00 at the offices of the Company, Unit 6, 1 Melrose Boulevard, Melrose Arch, Johannesburg, 2076, to:

- (i) deal with such business as may lawfully be dealt with at a General Meeting; and
- (ii) consider and, if deemed fit, pass, with or without modification, the Resolutions set out hereunder in the manner required by the Companies Act, as read with the Listings Requirements.

Identification

In accordance with section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. Forms of identification include valid identity documents, drivers' licences and passports.

Record Dates, Proxies and Voting

In terms of section 59(1)(a) and (b) of the Companies Act, the directors have set the record dates for the purposes of determining which Shareholders are entitled to receive notice, participate in, and vote at the General Meeting:

Record date to receive the notice of General Meeting	Friday, 24 January
Last date to trade to be eligible to participate in and vote at the General Meeting	Tuesday, 18 February
Record date to be eligible to participate in and vote at the General Meeting	Friday, 21 February

A Shareholder entitled to vote at the General Meeting is entitled to appoint a proxy or proxies to attend, participate in and vote at the General Meeting in the place of the Shareholder. A proxy need not also be a Shareholder.

Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with Own-Name Registration and who are entitled to attend, participate in and vote at the General Meeting are entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a Shareholder and shall be entitled to vote on a show of hands or a poll. It is requested that Forms of Proxy be forwarded so as to reach the Meeting Scrutineers, JSE Building, One Exchange Square, Gwen Lane, Sandown, Johannesburg by no later than 10:00 on Monday, 24 February 2020. If Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with Own-name Registration and who are entitled to attend, participate in and vote at the General Meeting do not deliver the Form of Proxy to the Meeting Scrutineers by the relevant time, such Shareholders will nevertheless be entitled to lodge the Form of Proxy in respect of the General Meeting immediately prior to the proxy exercising such Shareholder's rights as a Shareholder at the General Meeting, in accordance with the instructions therein, with the chairman of the General Meeting.

Shareholders who have Dematerialised their Shares, other than those Shareholders who have Dematerialised their Shares with Own-Name Registration, should contact their CSDP or Broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or Broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the General Meeting, to obtain the necessary letter of representation to do so.

On a show of hands, every Shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of Shares such Shareholder holds. On a poll, every Shareholder present in person or represented by proxy and entitled to vote shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Shares held by such Shareholder bears to the aggregate amount of the nominal value of all Shares issued by the Company.

Electronic Participation

The Company intends to offer Shareholders reasonable access to attend the General Meeting through electronic conference call facilities, in accordance with provisions of the Companies Act. Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice to the Company at Unit 6, 1 Melrose Boulevard, Melrose Boulevard, Johannesburg (marked for the attention of Karen Robinson, the Company Secretary) by no later than Friday, 21 February 2020, that they wish to participate via electronic communication at the General Meeting (the "Electronic Notice").

In order for the Electronic Notice to be valid it must contain the following:

- A certified copy of their identity document if the Shareholder is an individual.
- A certified copy of a resolution passed by the relevant entity and a certified copy of the identity document(s) of the person(s) who passed the relevant resolution if the Shareholder is not an individual, which resolution must set out the person from the relevant entity who is authorised to represent it at the General Meeting.
- A valid email address.

Voting on Shares will not be possible via electronic communication and accordingly Shareholders participating electronically and wishing to vote their Shares at the General Meeting will need to be represented at the General Meeting by proxy or by letter of representation. The Company shall use its reasonable endeavours on or before Tuesday, 25 February 2020, to notify Shareholders who have delivered valid Electronic Notices of the relevant details through which Shareholders can participate via electronic communication.

Special Resolution Number 1 – Approval of the Option granted to JC Herbst

"Resolved that the Option granted to JC Herbst in terms of the Executive Share Option Agreement concluded between the Company and JC Herbst and any issue of Shares pursuant to the exercise of the Option be and are hereby approved in accordance with the provisions of section 41(1) of the Companies Act."

Voting requirement

Special resolution number 1 is a special resolution that must be approved by a minimum of 75% of Shareholders present in person or represented by proxy at the General Meeting. The Board recommends that Shareholders support this resolution.

Special Resolution Number 2 – Approval of the Option granted to AP Openshaw

"Resolved that the Option granted to AP Openshaw in terms of the Executive Share Option Agreement concluded between the Company and AP Openshaw and any issue of Shares pursuant to the exercise of the Option be and are hereby approved in accordance with the provisions of section 41(1) of the Companies Act."

Voting requirement

Special resolution number 2 is a special resolution that must be approved by a minimum of 75% of Shareholders present in person or represented by proxy at the General Meeting. The Board recommends that Shareholders support this resolution.

Special Resolution Number 3 – Approval of the Option granted to SL Sequeira

“Resolved that the Option granted to SL Sequeira in terms of the Executive Share Option Agreement concluded between the Company and SL Sequeira and any issue of Shares pursuant to the exercise of the Option be and are hereby approved in accordance with the provisions of section 41(1) of the Companies Act.”

Voting requirement

Special resolution number 3 is a special resolution that must be approved by a minimum of 75% of Shareholders present in person or represented by proxy at the General Meeting. The Board recommends that Shareholders support this resolution.

Ordinary Resolution Number 1 – Approval of the Specific Issue to JC Herbst

“Resolved that (a) the terms and conditions of the Executive Share Option Agreement concluded between the Company and JC Herbst be and are hereby approved; (b) the Company be and is hereby authorised to (i) grant the Option to JC Herbst and (ii) issue a maximum of 7 500 000 ordinary shares in terms of the relevant Executive Share Option Agreement.

JSE voting requirement

Ordinary resolution number 1 is subject to the Listings Requirements which provide that it must be approved by achieving a 75% majority of the votes cast in favour of such resolution by all Shareholders present in person or represented by proxy at the General Meeting, on which any parties and their associates participating in the specific issue for cash have not voted or whose votes have not been counted. The Board recommends that Shareholders support this resolution.

Ordinary Resolution Number 2 – Approval of the Specific Issue to AP Openshaw

“Resolved that (a) the terms and conditions of the Executive Share Option Agreement concluded between the Company and AP Openshaw be and are hereby approved; (b) the Company be and is hereby authorised to (i) grant the Option to AP Openshaw and (ii) issue a maximum of 7 500 000 ordinary shares in terms of the relevant Executive Share Option Agreement.”

JSE voting requirement

Ordinary resolution number 2 is subject to the Listings Requirements which provide that it must be approved by a minimum of 75% of Shareholders present in person or represented by proxy at the General Meeting. The Board recommends that Shareholders support this resolution.

Ordinary Resolution Number 3 – Approval of the Specific Issue to SL Sequeira

“Resolved that (a) the terms and conditions of the Executive Share Option Agreement concluded between the Company and SL Sequeira be and are hereby approved; (b) the Company be and is hereby authorised to (i) grant the Option to AP Openshaw and (ii) issue a maximum of 750 000 ordinary shares in terms of the relevant Executive Share Option Agreement.”

JSE voting requirement

Ordinary resolution number 3 is subject to the Listings Requirements which provide that it must be approved by a minimum of 75% of Shareholders present in person or represented by proxy at the General Meeting. The Board recommends that Shareholders support this resolution.

Ordinary Resolution Number 4 – Directors’ authorisation

“Resolved that any director of the Company be and is hereby authorised to take all such steps and sign all such documents as are necessary for or incidental to give effect to the abovementioned special resolutions and ordinary resolutions, and to the extent that such director has, as at the date of this resolution, already performed any of the actions contemplated herein, such actions are hereby ratified and approved.

Voting requirement

In order for an ordinary resolution number 4 to be adopted, it must be supported by more than 50% of the voting rights exercised in respect thereof. The Board recommends that Shareholders support this resolution.

By order of the Board

Company Secretary
26 February 2020

Registered office

Unit 6, 1 Melrose Boulevard
Melrose Arch
Johannesburg, 2076
(PO Box 1585, Kelvin, 2054)

Meeting Scrutineers

The Meeting Specialist Proprietary Limited
JSE Building, One Exchange Square
Gwen Lane, Sandown, 2196
(PO Box 62043, Marshalltown, 2107)



Huge Group Limited

(Registration number 2006/023587/06)
JSE share code: HUG
A2X share code: HUG
ISIN: ZAE000102042
("Huge Group" or "the Company")

FORM OF PROXY

FOR USE BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS AT THE GENERAL MEETING OF THE COMPANY TO BE HELD ON WEDNESDAY, 26 FEBRUARY 2020 AT 10:00.

Certificated Shareholders or Dematerialised Shareholders with Own-Name Registration who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a Shareholder and shall be entitled to vote on a show of hands or poll.

Dematerialised Shareholders, other than Dematerialised Shareholders with Own-Name Registration, should instruct their CSDP or Broker as to what action they wish to take. This must be done in the manner and time stipulated in the agreement entered into between them and their CSDP or Broker.

I/We _____ (name in block letters)

Of _____ (address)

Telephone (work) _____ (home)

Mobile _____ (email)

Being the holder(s) of Shares

Hereby appoint (see note 1) _____

1. _____ or failing him/her

2. _____ or failing him/her

the chairman of the General Meeting, as my/our proxy to attend, speak and act on my/our behalf at the General Meeting (and at any postponement thereof) and, on a poll, to vote in my stead and to vote for or against the Resolutions or abstain from voting thereon in respect of the Shares registered in my/our name(s), in accordance with the following instructions (see note 3):

	For	Against	Abstain
Special Resolution Number 1 – Approval of the Option granted to JC Herbst			
Special Resolution Number 2 – Approval of the Option granted to AP Openshaw			
Special Resolution Number 3 – Approval of the Option granted to SL Sequeira			
Ordinary Resolution Number 1 – Approval of the Specific Issue to JC Herbst			
Ordinary Resolution Number 2 – Approval of the Specific Issue to AP Openshaw			
Ordinary Resolution Number 3 – Approval of the Specific Issue to SL Sequeira			
Ordinary Resolution Number 4 – Directors' authorisation			

Please indicate with an "x" or the relevant proposed number of Huge Group Shares, in the applicable space, how you wish your vote to be cast.

Signed at _____ on _____ 2020

Signatures _____ Capacity

Assisted by (where applicable) _____ Signature

Every person entitled to vote and who is present at the General Meeting shall be entitled to either:

- (a) one vote on a show of hands, irrespective of the number of Shares such person holds or represents, provided that a proxy shall, irrespective of the number of Shareholders they represent, have only one vote; or
- (b) that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Shares held by the Shareholder bears to the aggregate amount of the nominal value of all Shares issued by the Company in respect of every matter that may be decided by polling.

A proxy may delegate his/her authority to act on his/her behalf to another person (see note 4).

This proxy form will lapse and cease to be of force and effect immediately after the General Meeting of the Company and any adjournment(s) thereof unless it is revoked earlier (as to which see notes 9 and 10).

Notes to the Form of Proxy

1. This Form of Proxy is for use by certificated Shareholders and Dematerialised Shareholders with Own-Name Registration whose Shares are registered in their own names on the record date and who wish to appoint another person to represent them at the General Meeting. If duly authorised, companies and other corporate bodies who are Shareholders having Shares registered in their own names may appoint a proxy using this Form of Proxy or may appoint a representative in accordance with the last paragraph below. Other Shareholders should not use this form. All beneficial holders who have Dematerialised their Shares through a CSDP or Broker, and do not have their Shares registered in their own name, must provide the CSDP or Broker with their voting instructions. Alternatively, if they wish to attend the General Meeting in person, they should request the CSDP or Broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. For administrative purposes, Forms of Proxy should be lodged at or posted to The Meeting Specialist Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, Johannesburg, PO Box 62043, Marshalltown, 2107, or proxy@tmsmeetings.co.za, by no later than 10:00 on Monday, 24 February 2020. If Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with Own-Name Registration and who are entitled to attend, participate in and vote at the General Meeting do not deliver the Form of Proxy to the Meeting Scrutineers by the relevant time, such Shareholders will nevertheless be entitled to lodge the Form of Proxy in respect of the General Meeting immediately prior to the proxy exercising such Shareholder's rights as a Shareholder at the General Meeting, in accordance with the instructions therein, with the Chairman of the General Meeting.
3. This proxy shall apply to all the ordinary Shares registered in the name of Shareholders at the record date unless a lesser number of Shares are inserted.
4. A Shareholder may appoint one person as the 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 General Meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on this Form of Proxy and who is present at the General 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/her in this Form of 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.
5. Unless revoked, the appointment of proxy in terms of this Form of Proxy remains valid until the end of the General Meeting even if such meeting or a part thereof is postponed or adjourned.
6. If:
 - 6.1 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
 - 6.2 the Shareholder gives contrary instructions in relation to any matter; or
 - 6.3 any additional resolution/s which are properly put before the General Meeting; or
 - 6.4 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/ she thinks fit, in relation to that resolution or matter. If, however, the Shareholder has provided further written instructions which accompany this Form of Proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
7. 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:
 - 7.1 it is accompanied by a certified copy of the authority given by the Shareholder to the signatory; or
 - 7.2 the Company has already received a certified copy of that authority.
8. Any alterations made in this Form of Proxy must be initialled by the authorised signatory/ies.
9. This Form of Proxy is revoked if the Shareholder who granted the proxy:
 - 9.1 delivers a copy of the revocation instrument to the Company and to the proxy or proxies concerned, so that it is received by the Company prior to the proxy exercising such Shareholder's rights as a Shareholder at the General Meeting, in accordance with the instructions therein, with the Chairman of the General Meeting; or
 - 9.2 appoints a later, inconsistent appointment of proxy for the General Meeting; or
 - 9.3 attends the General Meeting in person.
10. 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 General Meeting by giving written notice of the appointment of that representative. This notice should be received by the Meeting Scrutineers by no later than 10:00 on Monday, 24 February 2020 and must be accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed.

Summary of rights established by section 58

Summary of rights established by section 58 of the Companies Act, as required in terms of sub-section 58(8)(b)(i):

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his/her behalf (section 58(1) (a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 below or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his/her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation (MOI) of the Company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
 - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a Form of Proxy instrument:
 - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or Form of Proxy instrument supplied by the Company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).