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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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- This circular (“**Circular**”) should be read with particular attention to the section entitled “*Action required by Shareholders*”, in paragraph 5 below, which sets out the action required of holders (“**Shareholders**”) of ordinary no par value shares in the Company’s share capital (“**Pepkor Ordinary Shares**”).
- If you are in any doubt as to what action to take, you should consult your broker, central securities depository participant (“**CSDP**”), banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all your Pepkor Ordinary Shares on or before Tuesday, 21 January 2020, please forward this Circular and attached form of election (“**Form of Election**”) to the purchaser to whom, or the broker, CSDP or other agent through whom, the disposal was effected.
- **KINDLY NOTE: SHAREHOLDERS WHO DO NOT ELECT TO RECEIVE THE CASH DIVIDEND, WILL RECEIVE THE SCRIP DIVIDEND.**

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# PEPKOR

*Holdings Limited*

**Pepkor Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2017/221869/06)  
Share Code: PPH  
ISIN: ZAE000259479  
 (“Pepkor” or “Company”)

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## CIRCULAR TO SHAREHOLDERS

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relating to:

**A SCRIP DIVIDEND OR, AS AN ALTERNATIVE, AN ELECTION TO RECEIVE A CASH DIVIDEND**

and including:

**A FORM OF ELECTION (ONLY FOR USE BY CERTIFICATED SHAREHOLDERS ELECTING TO RECEIVE A CASH DIVIDEND)**



PSG CAPITAL

**Transaction Advisor and Sponsor**

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**Date of issue Tuesday, 7 January 2020**

Copies of this Circular are available in English only and may, from Tuesday, 7 January 2020 to Friday, 24 January 2020 (both days inclusive), be obtained during normal business hours from the registered address of the Company. A copy of this Circular will also be available on the Company’s website (<https://www.pepkor.co.za/investor-relations/shareholder-diary-meetings-and-notice/>) from Tuesday, 7 January 2020.

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## SALIENT DATES AND TIMES

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### 2019

Audited financial results of Pepkor for the year ended 30 September 2019 and declaration of Scrip Dividend with Cash Dividend alternative announced on the Stock Exchange News Service (“SENS”) on	Monday, 25 November
Audited financial results and Scrip Dividend with Cash Dividend alternative published in press on	Tuesday, 26 November

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### 2020

Circular and Form of Election distributed to Shareholders on	Tuesday, 7 January
Announcement advising of the distribution of this Circular released on SENS on	Tuesday, 7 January
Finalisation information, including the ratio applicable to the Scrip Dividend, released on SENS by 11:00 am on	Tuesday, 14 January
Finalisation of information, including the ratio applicable to the Scrip Dividend, published in the press on	Wednesday, 15 January
Last day to trade in order to be eligible to receive the Scrip Dividend or the Cash Dividend alternative	Tuesday, 21 January
Pepkor Ordinary Shares commence trading “ex” the Scrip Dividend and the Cash Dividend alternative on	Wednesday, 22 January
Listing of maximum possible number of Pepkor Ordinary Shares on the JSE Limited in terms of the Scrip Dividend	Wednesday, 22 January
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the volume weighted average price of Pepkor Ordinary Shares traded on Wednesday, 22 January 2020, less 10%, by 11:00 am on	Thursday, 23 January
Last day to elect to receive the Cash Dividend alternative instead of the Scrip Dividend, with Forms of Election to reach the Transfer Secretaries by 12:00 pm on	Friday, 24 January
<b>Record Date</b> in respect of the Scrip Dividend/Cash Dividend alternative, offer closes	Friday, 24 January
New Pepkor Ordinary Share certificates posted and Cash Dividend payments made, CSDP/broker accounts credited/updated, as applicable, on	Monday, 27 January
Announcement released on SENS in respect of the results of the Scrip Dividend	Monday, 27 January
Adjustment of number of new Pepkor Ordinary Shares listed – JSE listing of Pepkor Ordinary Shares in respect of the Scrip Dividend adjusted to reflect the actual number of Pepkor Ordinary Shares issued in terms of the Scrip Dividend	Wednesday, 29 January

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#### Notes:

1. The above dates and times are subject to change, provided that no such changes shall occur following the announcement of the finalisation information. Any changes will be announced on SENS.
2. All times quoted in this Circular are local times in South Africa.
3. Shareholders may not dematerialise or rematerialise their Shares between Wednesday, 22 January 2020 and Friday, 24 January 2020, both days inclusive.

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ISIN: ZAE000259479  
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## Directors

J Naidoo (Chairman)\*  
LM Lourens (Chief Executive Officer)  
RG Hanekom (Chief Financial Officer)  
JB Cilliers (Lead Independent)\*#  
F Petersen-Cook\*#  
SH Müller\*#  
MJ Harris\*#  
WYN Luhabe\*#  
LJ du Preez\*  
TL de Klerk\*  
JD Wiese\*

\* *non-executive*

# *independent*

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## CIRCULAR TO SHAREHOLDERS

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### 1. INTRODUCTION

- 1.1 The audited financial results of Pepkor for the year ended 30 September 2019 were released on SENS on Monday, 25 November 2019 and published in the press on Tuesday, 26 November 2019. In such audited financial results, notice was given that the board of directors of the Company ("**Board**") had resolved to declare a dividend of fully-paid Pepkor Ordinary Shares ("**Scrip Dividend**") to ordinary Shareholders recorded in the securities register of the Company at the close of business on the record date, being Friday, 24 January 2020 ("**Record Date**").
- 1.2 Shareholders will, however, be entitled to elect to receive a cash dividend of 20.9 cents per Pepkor Ordinary Share held on the Record Date in respect of all or part of their ordinary shareholding, instead of the Scrip Dividend ("**Cash Dividend**"). The Cash Dividend will be paid only to those:
  - 1.2.1 certificated Shareholders whose duly completed and signed Forms of Election to receive the Cash Dividend, in respect of all or part of their shareholding, are received by the Company's transfer secretaries, Computershare Investor Services Proprietary Limited ("**Transfer Secretaries**"), on or before 12:00 pm on Friday, 24 January 2020; and
  - 1.2.2 dematerialised Shareholders who have instructed their CSDP or broker accordingly and in the manner and time stipulated in their custody agreement with such CSDP or broker.
- 1.3 The terms of the Scrip Dividend are contained in paragraph 3.1 below.
- 1.4 **Shareholders who do not elect to receive the Cash Dividend, will receive the Scrip Dividend in proportion to their ordinary shareholding as at the close of business on the Record Date and in accordance with the ratio set out in this Circular, and no further action by such Shareholders will be required.**
- 1.5 Pepkor's two largest shareholders, representing 79.8% of the Pepkor's entire issued share capital, have signed irrevocable undertakings and are committed to receive the Scrip Dividend.
- 1.6 Pepkor does not accept any responsibility, and will not be held liable, for any action on the part of, or omission by, any CSDP, broker or other agent of any beneficial owner of Pepkor Ordinary Shares. No payment to Shareholders contemplated in this Circular shall carry interest against the Company. Furthermore, any reference in this Circular to the Cash Dividend payable to or receivable by Shareholders refers to the amount of such dividend after the deduction of dividend withholding tax ("**DWT**"), if any, as contemplated in paragraph 3.4 below.

## 2. RATIONALE

- 2.1 Based on the stated ambition to reduce Pepkor's gearing to one times net debt-to-EBITDA, the Board believes that a Scrip Dividend, with the election to receive the Cash Dividend, allows Pepkor the opportunity to conserve cash to support the growth of the new internally-funded credit books and to provide Shareholders with the opportunity of investing in the future performance of the Company, whilst still affording Shareholders a choice to receive the Cash Dividend, if preferred.
- 2.2 The Board has, nonetheless, considered and is satisfied that the Company would satisfy the solvency and liquidity test as set out in section 4 of the Companies Act, No. 71 of 2008 to support a full Cash Dividend.

## 3. THE AWARD OF THE SCRIP DIVIDEND OR THE ELECTION TO RECEIVE THE CASH DIVIDEND ALTERNATIVE

### 3.1 Terms of the Scrip Dividend and the Cash Dividend alternative

- 3.1.1 Shareholders will be entitled to be issued fully-paid Pepkor Ordinary Shares in respect of all or part of their ordinary shareholding as at the close of business on the Record Date, being Friday, 24 January 2020, in proportion to their ordinary shareholding and to the extent that such Shareholders have not elected to receive the Cash Dividend.
- 3.1.2 Shareholders will, however, be entitled to elect to receive the Cash Dividend alternative of 20.9 cents per Pepkor Ordinary Share held on the Record Date, in respect of all or part of their ordinary shareholding and instead of the Scrip Dividend.
- 3.1.3 The number of Pepkor Ordinary Shares to which a Shareholder will become entitled in terms of the Scrip Dividend (to the extent that such Shareholder has not elected to receive the Cash Dividend) will be determined with reference to such Shareholder's ordinary shareholding in Pepkor (at the close of business on the Record Date) in relation to the ratio that 20.9 cents bears to the volume weighted average price ("VWAP") at which Pepkor Ordinary Shares traded on the exchange operated by the JSE Limited ("JSE") during the 10 trading day period ending on Monday, 13 January 2020, discounted by 5%. However, where the application of this ratio gives rise to a fraction of an ordinary share, the rounding principles described in paragraph 3.2 below will be applied. An example of the Scrip Dividend entitlement is set out below:

#### Example of Scrip Dividend entitlement:

This example assumes that (i) a Shareholder holds 100 Pepkor Ordinary Shares at the close of business on the Record Date and does not elect to receive the Cash Dividend alternative for all or part of such Pepkor Ordinary Shares held, and (ii) that the VWAP of Pepkor Ordinary Shares traded on the JSE for the 10 trading day period ending on Monday, 13 January 2020 is 1 750 cents per Pepkor Ordinary Share.

$$\begin{aligned} \text{New Pepkor Ordinary Share entitlement} &= \frac{100 \times 20.9 \text{ cents}}{1\,750 \text{ cents} \times (1 - 5\%)} \\ &= 1,25714 \text{ Scrip Dividend share(s) per 100 Pepkor} \\ &\quad \text{Ordinary Shares held, subject to the rounding} \\ &\quad \text{principles described in paragraph 3.2 below} \end{aligned}$$

This would result in a Shareholder with 100 Pepkor Ordinary Shares receiving a new Pepkor Ordinary Share entitlement of 1 Scrip Dividend share and a cash payment for the fraction, in terms of paragraph 3.2 below.

- 3.1.4 The Cash Dividend will be paid out of the Company's distributable retained profits while the issue price of the Scrip Dividend (which will be equal to the VWAP of Pepkor Ordinary Shares traded on the JSE for the 10 trading day period ending on Monday, 13 January 2020, discounted by 5%) will be settled by way of capitalisation of the Company's distributable retained profits. The Scrip Dividend shares will, upon their issue, rank *pari passu* in all respects with the other listed Pepkor Ordinary Shares then in issue. The Company's total number of issued ordinary shares at the last practicable date prior to the issue of this Circular, being Friday, 27 December 2019, was 3 450 000 000 of which no Ordinary Pepkor Shares are held in treasury. Pepkor's income tax reference number is T9542320180.
- 3.1.5 If all Shareholders were to accept the full Scrip Dividend without electing to receive the Cash Dividend alternative, the number of new Pepkor Ordinary Shares to be issued pursuant to the Scrip Dividend would be 43 371 429, based on the assumed Scrip Dividend ratio in the example above (and ignoring rounding down for fractions on a per Shareholder basis) and the aggregate issue price of R721 050 000 would be capitalised out of the Company's distributable retained profits.
- 3.1.6 If all Shareholders were to elect to receive the Cash Dividend the maximum gross cash dividend payable by the Company would be R721 050 000.

### 3.2 Fractions

- 3.2.1 Where a Shareholder's entitlement under the Scrip Dividend to new Pepkor Ordinary Shares calculated in accordance with the above formula gives rise to a fraction of a new Pepkor Ordinary Share, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole Pepkor Ordinary Shares and a cash payment in respect of the fraction.

3.2.2 In terms of the JSE Listings Requirements, the applicable cash payment in respect of fractional entitlements will be determined with reference to the VWAP of Pepkor Ordinary Shares traded on the JSE on Wednesday, 22 January 2020, (being the day on which Pepkor Ordinary Shares begin trading 'ex' the entitlement to receive the Scrip Dividend or the Cash Dividend alternative), less 10%. By way of example and for illustrative purposes, this Circular assumes the VWAP of Pepkor Ordinary Shares traded on the JSE on Wednesday, 22 January 2020 will amount to 1 750 cents, resulting in a cash value of 1 575 cents per share after deducting 10%.

3.2.3 The above value to be used for calculating cash payments for fractional entitlements will be announced on SENS on Thursday, 23 January 2020, by 11:00.

**Example of fractional entitlement:**

This example assumes that a Shareholder holds 100 Pepkor Ordinary Shares at the close of business on the Record Date and does not elect to receive the Cash Dividend in respect of all or part of its shareholding.

New Pepkor Ordinary Share entitlement as set out above = 1,25714

The Shareholder will receive:

1 Scrip Dividend share in respect of the 100 Pepkor Ordinary Shares held and a cash payment for the fractional entitlement based on the 1 575 cents noted above of  $1\,575 \times 0,25714 = 405$  cents.

**3.3 Nominee companies**

The Transfer Secretaries have been instructed to treat applications from nominee companies as separate applications on the submission of a breakdown of the beneficial owners of Pepkor Ordinary Shares registered in the name of the nominee companies.

**3.4 Tax implications**

3.4.1 The Scrip Dividend and the Cash Dividend alternative may have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act, 58 of 1962, as amended ("**Income Tax Act**"), the Cash Dividend will, unless exempt, be subject to DWT. South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 16.72 cents per Pepkor Ordinary Share. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any double tax agreement between South Africa and their country of residence.

3.4.2 The Scrip Dividend is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of Pepkor Ordinary Shares obtained as a result of the Scrip Dividend is likely to have income tax or capital gains tax ("**CGT**") implications. Where any future disposals of Pepkor Ordinary Shares obtained as a result of the Scrip Dividend attract CGT, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such Pepkor Ordinary Shares will be included in the determination of the weighted average base cost method will be zero).

**4. FOREIGN SHAREHOLDERS**

The distribution of this Circular, and the rights and entitlements to receive Pepkor Ordinary Shares pursuant to the Scrip Dividend in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with such restrictions may constitute a violation of the securities laws of such jurisdictions. **Accordingly, Shareholders will not be entitled to receive any Scrip Dividend shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend alternative.** Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Dividend, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

**5. ACTION REQUIRED BY SHAREHOLDERS**

Shareholders who wish to receive the Cash Dividend must take the following action:

**5.1 Certificated Shareholders wishing to receive the Cash Dividend:**

Shareholders who hold certificated Pepkor Ordinary Shares ("**Certificated Shareholders**") and who wish to receive the Cash Dividend must complete the attached Form of Election in respect of all or part of their shareholding in accordance with the instructions contained therein and lodge it with, or post it to, the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Gauteng, South Africa (PO Box 61763, Marshalltown, 2107, Gauteng, South Africa) so as to be received by no later than 12:00 pm on Friday, 24 January 2020. Forms of Election received after this date and time will not be accepted. Forms of Election may also be emailed to the Transfer Secretaries at [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za). The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Election or owing to Forms of Election being forwarded to any other email address other than that provided above. Forms of Election shall be deemed to be received on the date reflected in Computershare Investor Services Proprietary Limited's electronic system. Notwithstanding anything to the contrary, it is the Shareholder's responsibility to ensure that their Form of Election is received by the Transfer Secretaries.

Share certificates will be posted and electronic funds transferred to Certificated Shareholders' on Monday, 27 January 2020, in accordance with any election made.

5.2 **Dematerialised Shareholders wishing to receive the Cash Dividend:**

Shareholders who have dematerialised their Pepkor Ordinary Shares ("**Dematerialised Shareholders**") must NOT complete the attached Form of Election. Dematerialised Shareholders are required to notify their duly appointed CSDP or broker if they wish to receive the Cash Dividend, in the manner and the time stipulated in the custody agreement governing the relationship between such Shareholders and their CSDP or broker, failing which they will receive the Scrip Dividend.

Dematerialised Shareholders' CSDP/broker accounts will be credited and updated on Monday, 27 January 2020, in accordance with any election made.

5.3 **Election in respect of all or part of the Shareholders' Pepkor Ordinary Shares**

Shareholders may make the above election in respect of all or any part of their Pepkor Ordinary Shares held on the Record Date. If an election is made in respect of some, but not all Pepkor Ordinary shares held by a Shareholder, such Shareholder will receive the Scrip Dividend in respect of the Pepkor Ordinary Shares for which the election to receive the Cash Dividend is not made. Shareholders who do not wish to receive any Cash Dividend do not need to take any further action in order to receive the Scrip Dividend. Shareholders electing to receive the Cash Dividend should note that the election is irrevocable and that, once an election to receive the Cash Dividend is made, such election cannot be cancelled.

6. **POSTING OF SHARE CERTIFICATES, PAYMENT OF CASH DIVIDEND AND UPDATING/CREDITING OF CSDP/BROKER ACCOUNTS**

- 6.1 Where applicable, ordinary share certificates for new Pepkor Ordinary Shares issued under the Scrip Dividend will be dispatched to Certificated Shareholders by registered post at the risk of such Shareholders on or about Monday, 27 January 2020 to their registered addresses or in accordance with the instructions given to the Transfer Secretaries.
- 6.2 According to the election made, Cash Dividend payments will be made by electronic funds transfer to the bank accounts of Certificated Shareholders on Monday, 27 January 2020. Certificated Shareholders who have not already provided the Transfer Secretaries with their banking details are requested to complete **FORM B: Direct Credit – Bank Account Details** attached to this Circular and return same to the Transfer Secretaries by no later than 12:00 pm on Friday, 24 January 2020. **(To combat the increase in cheque fraud, the Company has discontinued payments by cheque and accordingly, payment of any Cash Dividend to Certificated Shareholders is dependent on the Transfer Secretaries being in possession of such Certificated Shareholder's banking details.)**
- 6.3 Dematerialised Shareholders' CSDP/broker accounts will be updated with the new Pepkor Ordinary Shares issued under the Scrip Dividend and/or the Cash Dividend, as applicable, on Monday, 27 January 2020.

7. **LISTING OF NEW ORDINARY SHARES**

- 7.1 Application has been made to the JSE to list the maximum possible number of Scrip Dividend shares that could be issued in terms of the Scrip Dividend, with effect from the commencement of business on Wednesday, 22 January 2020. An adjustment of the number of Pepkor Ordinary Shares listed will be made on or about Wednesday, 29 January 2020, to take account of the actual number of Pepkor Ordinary Shares issued in terms of the Scrip Dividend.
- 7.2 The right to receive new Pepkor Ordinary Shares in terms of the Scrip Dividend is not renounceable and may not be traded on the JSE.

8. **EXCHANGE CONTROL REGULATIONS**

In terms of the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended ("**Exchange Control Regulations**") which apply to Shareholders, who are either non-residents of, or emigrants from, the "**Common Monetary Area**" (comprising the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland):

8.1 **in the case of Certificated Shareholders:**

- 8.1.1 any share certificate that may be issued to non-resident Shareholders will be endorsed "non-resident";
- 8.1.2 any new share certificates issued based on emigrant Shareholders' Pepkor Ordinary Shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrant Shareholders for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such new share certificates will be endorsed "non-resident"; and
- 8.1.3 Cash Dividend payments due to non-residents and emigrant Shareholders are freely transferable from South Africa. In respect of all non-residents of the Common Monetary Area the Cash Dividend payments due will be sent to the registered address of the Shareholder concerned or in accordance with instructions given to the Transfer Secretaries. In respect of all emigrants, the dividend payments will be sent to the authorised dealer in foreign exchange controlling their remaining assets;

**8.2 in the case of Dematerialised Shareholders:**

- 8.2.1 any Pepkor Ordinary Shares issued to emigrant Shareholders from the Common Monetary Area will be credited to their blocked shares accounts at the CSDP controlling their blocked portfolios.
- 8.2.2 Any Pepkor Ordinary Shares issued to a non-resident of the Common Monetary Area will be credited to such non-residents CSDP or broker account and a “non-resident” annotation will appear in the CSDP or broker register; and
- 8.2.3 any Cash Dividend paid to non-residents and emigrant Shareholders from the Common Monetary Area are freely transferable and will be credited to the CSDP or broker controlling their portfolios.

**9. EXPERTS’ CONSENTS**

- 9.1 The Transaction Advisor and Sponsor and the Transfer Secretaries to Pepkor have consented, in writing, to act in the capacity stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular.
- 9.2 Copies of this Circular are available in English only and may, from Tuesday, 7 January 2020 to Friday, 24 January 2020 (both days inclusive), be obtained during normal business hours from the registered address of the Company. A copy of this Circular will also be available on the Company’s website (<https://www.pepkor.co.za/investor-relations/shareholder-diary-meetings-and-notices/>) from Tuesday, 7 January 2020.

**By order of the Board**

For and on behalf of Pepkor Holdings Limited  
Pepkor Proprietary Limited  
*Company Secretary*

# PEPKOR

Holdings Limited

**Pepkor Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2017/221869/06)  
Share Code: PPH  
ISIN: ZAE000259479  
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## FORM OF ELECTION

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If you are in any doubt as to what action to take, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.  
Terms appearing in title case in this form of election and that are not otherwise defined herein, shall bear the meanings assigned to those terms in the Circular to which this form of election is annexed.

### A SCRIP DIVIDEND OR, ALTERNATIVELY, A CASH DIVIDEND

Only for use by Certificated Shareholders who hold Pepkor Ordinary Shares in certificated form and who elect to receive a Cash Dividend alternative of 20.9 cents per Pepkor Ordinary Share held, or deemed to be held for all or part of their ordinary shareholding, on the Record Date, being Friday, 24 January 2020, failing which the Scrip Dividend will, by default, be distributed to such Certificated Shareholders.

Dematerialised Shareholders who wish to receive the Cash Dividend alternative are required to notify their duly appointed CSDP or broker of their election in the manner and the time stipulated in the custody agreement governing the relationship between such Shareholders and their CSDP or broker and must not complete this Form of Election. Please refer to paragraph 5.2 of the Circular to which this Form of Election is attached.

If you do not wish to receive the Cash Dividend, no further action is required.

Should you take no action, regardless of being a Certificated or Dematerialised Shareholder, on Monday, 27 January 2020, the Scrip Dividend will be distributed to you in accordance with the provisions detailed in the Circular.

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Forms of Election must be lodged with or posted or emailed to the Transfer Secretaries so as to be received by them by no later than 12:00 pm on Friday, 24 January 2020. Forms of Election received after this time and date will not be accepted. Please refer to paragraph 5.1 of the Circular for further guidance in this regard. The address details of the Transfer Secretaries appear below.

#### To the Transfer Secretaries:

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
Gauteng  
South Africa  
(PO Box 61763, Marshalltown, 2107, Gauteng, South Africa)

Email: corporate.events@computershare.co.za

#### Attention: Corporate Actions Department

Tel: + 27 11 370 5000 or, if calling within South Africa, 086 1100 933 (available between 08:00 and 16:30 SA time)

Certificated Shareholders who do not post their Forms of Election should ensure that same are emailed to corporate.events@computershare.co.za. The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or nonreceipt of emailed Forms of Election or owing to Forms of Election being forwarded to any other email address other than provided above. Forms of Election shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic systems. Notwithstanding anything to the contrary, it is the shareholder's responsibility to ensure that their Election Form is received by the Transfer Secretaries.

I/We, \_\_\_\_\_ (full name in BLOCK LETTERS)

regarding the election of the Cash Dividend instead of the Scrip Dividend:

- hereby irrevocably, and on the terms and conditions contained in this Form of Election and in the Circular, elect to receive the Cash Dividend of 20.9 cents per Ordinary Pepkor Share each held on the Record Date, in respect of all or part of my/our ordinary shareholding, instead of the Scrip Dividend;
- acknowledge that this Form of Election is applicable only in respect of Pepkor Ordinary Shares of which I/we was/were the registered holder(s) at the close business on the Record Date; and
- acknowledge that I/we am/are not entitled to a Scrip Dividend, the number of which will be determined in the ratio that 20.9 cents bears to the VWAP of Pepkor Ordinary Shares traded on the JSE during the 10 trading day period ending on Monday, 13 January 2020 and discounted by 5%, in respect of the number of ordinary shares, reflected in Block (C) overleaf, held, or deemed to be held, by me/us at the close of business on the Record Date in respect of which I/we have elected to receive the Cash Dividend.

Signed at \_\_\_\_\_ on \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Signature \_\_\_\_\_ Capacity of signatory \_\_\_\_\_

Telephone numbers (including international and area codes if outside of South Africa):

Home: \_\_\_\_\_ Work: \_\_\_\_\_

Cellphone/mobile: \_\_\_\_\_ Email address: \_\_\_\_\_

Telefax number: \_\_\_\_\_

**CERTIFICATED SHAREHOLDERS ARE REQUIRED TO ACCURATELY COMPLETE THE INFORMATION IN THE BLOCKS BELOW:**

<b>Name, address and contact number of registered Shareholder</b>	
Name:	
Address:	
Contact telephone and/or cellular phone number:	
Email address:	
<b>Nominated Authorised Dealer in the case of a Certificated Shareholder who is an emigrant from, or non-resident of, the Common Monetary Area</b>	
Name:	
Address:	
Contact telephone and/or cellular phone number:	
Email address:	
Account number/Investor Code (IVC)	Number of Pepkor Ordinary Shares deemed to be held on the Record Date, based on your shareholding at the close of business on Friday, 24 January 2020.
<b>(A)</b>	<b>(B)</b>
Number of ordinary shares for which the Cash Dividend is elected:	<b>(C)</b>
The Cash Dividend and remaining Scrip Dividend (if applicable) will be calculated by the Transfer Secretaries. The maximum number of Pepkor Ordinary Shares for which the Cash Dividend alternative can be elected is the number of ordinary shares still registered in your name in the Company's share register on the Record Date, being Friday, 24 January 2020	
If Block C is not completed, but the remaining parts of the Form of Election are completed, then you are deemed not to have elected to receive the Cash Dividend based on your entire holding of Pepkor Ordinary Shares held, or deemed to be held, on the Record Date. Therefore, Certificated Shareholders who wish to receive the Cash Dividend based on their entire holding of Pepkor ordinary shares need to complete Block C and must complete and sign the rest of the Form of Election in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries.	
Date of signature	Signature

**Instructions on how to complete this Form of Election:**

- For the terms and conditions governing the election, kindly refer to the Circular and to the notes below.
- The signature on this Form of Election by any person who is under legal disability must be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
- Any alteration or correction made to this Form of Election must be initialed by the signatory(ies).
- In order to be valid, this Form of Election must be properly completed and received by the Transfer Secretaries detailed above, by no later than 12:00 pm on Friday, 24 January 2020. If your Form of Election is received by the Transfer Secretaries later than 12:00 pm on Friday, 24 January 2020, then on Monday, 27 January 2020, the Scrip Dividend will be distributed to you, subject to and in accordance with the provisions detailed in this Circular and based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date.
- Should you have any queries as to the completion of this Form of Election, please contact the Transfer Secretaries.

**Notes:**

- Certificated Shareholders electing to receive the Cash Dividend alternative and who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing **FORM B: Direct Credit – Bank Account Details** attached hereto and returning same to the Transfer Secretaries prior to 12:00 pm on Friday, 24 January 2020.
- Pepkor reserves the right, in its discretion, to:
  - treat as invalid (in which case the Scrip Dividend will be awarded) any Form of Election not complying with the terms of the election or any instruction contained in the Circular; and
  - require proof of the authority of the person signing this Form of Election, where such proof has not yet been lodged with or recorded by the Transfer Secretaries.

**FORM B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM**

**FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF PEPKOR HOLDINGS LIMITED (“Pepkor”) WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS**

Full name of registered shareholder

Identity number of person signing this form

Your shareholder number (if known)

Email address

Cellphone number

Office phone number

Home phone number

Telefax number

**REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS PLEASE NOTE: We cannot accept banking details in the name of a third party**

Name of bank account holder

Name of South African Bank

Name of bank branch

Bank account number

Bank branch code

Account type

Cheque

Transmission

Savings

I/we hereby authorise

**Computershare Investor Services Proprietary Limited** and/or Pepkor to act in accordance with my/our instructions set out herein. I/we acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions

Signature of Shareholder

Day

Month

Year

If you are signing this form in a representative capacity, please indicate which capacity (see over)

**BANK VERIFICATION**

I/we confirm that the above information about the abovementioned shareholders account at this Bank is correct

Signed on behalf of Bank

THIS MUST BE COMPLETED BY YOUR BANK

BANK STAMP HERE

**THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT (COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).**

**PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.**

## **HOW TO COMPLETE THIS FORM**

### **Request for direct crediting of payments**

This form must be completed in full if you wish your cash dividend/distribution payments to be paid directly into your nominated South African bank account. Until cancelled in writing by you, all future cash payments will be paid into the nominated account.

**IMPORTANT: Do not use the number quoted on your credit or debit card.**

#### **By signing this form, you:**

- Confirm that the details are true and correct.
- Understand that neither Pepkor nor the Transfer Secretaries is obliged to post you a dividend cheque.
- In the event that we are unable to transfer the funds due to you electronically and any decision to do so will be at the sole and absolute discretion of Pepkor on a case by case basis.
- Agree that if Pepkor or the Transfer Secretaries determines that a cheque will be sent to you by post, it will be at your own risk.
- Understand and agree that neither Pepkor nor the Transfer Secretaries shall be responsible in any way for any loss you may suffer as a result of transfer/deposits being made in accordance with the information provided on this form.
- Understand and agree that any such deposit shall constitute a full and sufficient discharge of Pepkor and/or the Transfer Secretaries' obligation to make such payment/s to me/us.
- Understand and agree that this payment instruction will be applied to all future cash payments.

This instruction only applies to the specific holding identified by the holder number and the name appearing on the front of this form.

**NOTE: We cannot accept banking details in the name of a third party.**

IF YOU ARE SIGNING THIS FORM IN A REPRESENTATIVE CAPACITY, COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED REQUIRES THE FOLLOWING DOCUMENTATION IN ADDITION TO AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT.

<b>Joint holding:</b>	Where the holding is in more than one name, the signature of the first mentioned shareholder is required.
<b>Power of attorney:</b>	To sign under a power of attorney, you must have already lodged the power of attorney with the Transfer Secretaries. Alternatively, please attach an original certified copy of the power of attorney to this form when you return it together with an original certified copy of the registered holder's identity document.
<b>Trusts:</b>	The form must be signed by the authorised trustee. If you have not already done so, please attach an original certified copy of the trustee resolution/power of attorney authorising you to act on behalf of the trust, together with original certified copies of the letters of authority issued by the Master of the High Court and the trust deed.
<b>Companies/close Corporations/funds:</b>	Any authorised company official/member may sign on behalf of the company/close corporation/fund. Please indicate the office held when signing the form. If you have not already done so, please provide the Transfer Secretaries with an original certified copy of your authorisation to act on behalf of the company/close corporation/fund in the form of an original certified copy of the board minute/resolution detailing the authorised signatures including specimen signatures and a company letterhead for noting in our records. In addition, the Transfer Secretaries requires an original certified copy of the Certificate of Incorporation/CK1/ Founding Statement/Constitution.
<b>Minors:</b>	If the shares are registered in the name of a minor, the form must be completed by the natural guardian, stating the capacity in which he/she is signing or in the case of a legal guardian attach an original certified copy of the letters of guardianship (if not previously provided). The guardian must attach an original certified copy of his/ her identity document together with an original certified copy of the birth certificate of the minor.
<b>Deceased shareholders:</b>	This form must be signed by the executor/s of the deceased estate. If you have not already done so, please provide the Transfer Secretaries with an original certified copy of the letters of executorship together with an original certified copy of the executor's identity document.
<b>Shareholder under curatorship:</b>	The form must be signed by the <i>curator bonis</i> appointed by the Master of the High Court. If you have not already done so, please provide the Transfer Secretaries with an original certified copy of the letters of curatorship together with an original certified copy of the curator's identity document.
<b>Shareholder under liquidation:</b>	The form must be signed by the liquidator appointed by the Master of the High Court. If you have not already done so, please provide the Transfer Secretaries with an original certified copy of your letter of appointment together with an original certified copy of the shareholder's identity document.