



Ecsponent Investor Virtual Roadshow Questions raised and received from Investors.

Safety, Security & Trust	
<p>1. Is my investment safe?</p>	<p>As a management team, we want to preserve the value of your investments as it stands today. It is our belief that the changes we have made in the short term will have positive outcomes. Your value is still there and is not lost.</p> <p>To bring cash into the business we need to monetarize the Group’s investments, but we need to regularise these businesses first and assist them in growing to derive their full potential. We have multiple investments, and we have to make sure that we unlock the value across all these investments.</p> <p>As a management team we request your indulgence and allow sufficient time to restructure the business as well as the underlying assets in order to attract potential investors or buyers of the underlying assets in order to realise fair and reasonable returns for our shareholders.</p> <p>This journey is well underway and our CEO; George Manyere as the largest (indirect) shareholder is committed and also stepped in as financier to Ecsponent – therefore, being joint at the hip to the future success of Ecsponent.</p> <p>It is not possible to say when Ecsponent’s investments will come to fruition, but the board is looking at how we can get cash back onto the balance sheet and get cash back to you.</p> <p>It is going to take time to grow our investments. We need to regain your trust and confidence and we will continue to have an open dialogue with you, and we will rebuild this business and unlock value for you.</p>
<p>2. How can we trust you?</p>	<p>Trust is earned, not given, a fact that we truly appreciate, given the current circumstances. Ecsponent has a good underlying asset base that needs time to mature in order to unlock the value of these assets, to ultimately be in a position to return value to you. It is a difficult challenge and we do sympathise with you, but we are here as a new board and management team to rebuild the Company and generate free cash</p>

	<p>flow to repay stakeholders their capital. We have a good board of directors with a good skill set.</p>
<p>3. We were told that the capital is safe because there are enough assets, but now the assets exceed the liabilities.</p>	<p>The assets currently exceed the liabilities.</p>
<p>4. How safe will the investment be after the new MOI has been accepted? (pensioners nest egg)</p> <p>What guarantees are there on the original capital being secure if another preference share option is exercised?</p> <p>How will I know if Ecsponent will manage the funds correctly in the future to ensure that the current situation will not happen again?</p>	<p>There is always risk in any business or in any investment and the investment was not guaranteed, however we have put together a new management team which has many years of experience managing other people’s money both cautiously and successfully.</p> <p>In some instances, they have significantly invested their own money into Ecsponent as well. Ecsponent’s new management team has the skills and track record to not only turn the Company around, but deliver solid results over time, with the intention to redeem the preference shareholders investment as soon as commercially reasonable.</p> <p>There are real assets in Ecsponent’s investment portfolio, but these assets need time to mature, before Ecsponent can sell its stake in the medium to long term.</p>
<p>5. Will capital invested still be guaranteed, will value of investment still be the same as per hybrid, will monthly dividends still be paid?</p>	<p>It is important to note that capital invested in Ecsponent preference shares were not guaranteed, and any inference thereto would be incorrect. Provided that the proposed amendments are approved, your capital investment and any accrued dividends will be converted into the new hybrid preference share. Unfortunately, no guaranteed dividends will be paid going forward.</p>
<p>6. Explain what will happen if my money is left at Ecsponent?</p> <p>Please explain to us the two voting options. We do not understand what they are, and</p>	<p>The outcome of the general meeting on 27 May (the voting date for proposed amendments to the MOI) will have one of the following outcomes: -</p> <p>i) the resolutions will be passed, and preference shares will convert to the new hybrid class of preference share which will be listed on the JSE and available to trade on the open market. The price and liquidity which will be determined by supply and demand.</p>

<p>what the difference between them?</p>	<p>The hybrid preference shares will receive partial/full redemptions as and when assets are sold and when there is sufficient cashflow in the business to allow for a partial/full redemption. It is expected that the current assets in Ecsponent’s portfolio will take the next couple of years to mature to a level where they will attract a sensible exit price, depending on market conditions; OR</p> <p>ii) the resolutions will fail and current preference shares will convert into ordinary shares, which are listed on the JSE and can be traded on the open market. Over time, should Ecsponent declare dividends, ordinary shareholders will participate and receive dividends, but only after preference shareholders have been paid. If Ecsponent’s market value (determined by the share price traded on the JSE) increases, ordinary shareholders will be able to sell their shares at a profit. The quantity of shares and price will be determined by demand and supply for the Ecsponent shares.</p>
<p>Assets & Trigger Events</p>	
<p>7. MyBucks “...is believed to ultimately lead to a sustainable financial recovery, albeit the recovery is expected to take some time.” Can Ecsponent Limited be more specific? How long is this expected to take?</p>	<p>The recovery is contingent on market conditions, especially the unknown longer-term impact of COVID-19. Barring any significant macro-economic impacts, the maturity window is usually 3 to 4 years, but cannot be stated with certainty and is not guaranteed.</p>
<p>8. What would trigger an event? If Ecsponent makes any profits now, or if any money will be paid out to investors, how will this be done? Will it be first Class A, then B? Or will all class holders be paid out simultaneously?</p>	<p>A trigger event would take place when there is a disposal of one of Ecsponent’s assets. The Board will assess any offer received against the value of the asset, and then make a decision if it makes Commercial sense.</p> <p>Once a disposal has been concluded, the Board will assess where the money from the sale will go – back into the company, into new investments or to shareholders – in terms of a redemptions to the new hybrid preference shareholders.</p> <p>The distribution will be paid equally across the hybrid preference shares.</p>

<p>9. Where can you find information about the underlying businesses in which Ecsponent is invested?</p>	<p>You can access the presentation on our website https://www.ecsponentlimited.com or here</p> <p>Details of Ecsponent’s assets are also set out in the circular as published on 28 April 2020.</p>
<p>10.How do you plan to turnaround MyBucks?</p>	<p>This process commenced almost 15 months ago. Our strategy with MyBucks entailed first to get rid of the fat out the holding company and dispose of loss-making operations and retain the banking businesses which have always been profitable. MyBucks had exorbitant head office and tech development costs and during the restructuring process we have removed in excess of 110 staff.</p> <p>We are now addressing some of the outstanding issues in the business. We expect this to be completed by the end of 2020 and from 2021 we expect to see positive results from the interventions and repositioning of the business.</p> <p>The new board and executive management of Ecsponent are spending significant time on this critical business as its upside is material for the success of Ecsponent and its stakeholders.</p>
<p>11.Is Zimbabwe/Africa a good investment?</p>	<p>Zimbabwe is probably the most challenging from a macroeconomic point of view but from a business point of view, companies that have invested in Zimbabwe have received good returns.</p> <p>Our assets are US dollar denominated and our costs are in Rands. The US dollar is a strong currency and we are able to convert this currency into Rand.</p> <p>All mining done in Zimbabwe is exported.</p> <p>GetBucks Zimbabwe has been the best operation in the MyBucks Group since 2010.</p>
<p>12.Is the chrome mine in Zimbabwe operational and generating an income?</p>	<p>We are in the final stages of exploration and it is looking encouraging. The mine has already started to mine chrome on small scale. It will take some time to achieve full production.</p>

Dividends, Capital Repayment, Value of Investment	
<p>13. When will the arrear dividends be paid out?</p> <p>How soon can I expect to receive any dividend payments/monthly income again?</p> <p>If the Board decides that no dividend payments will be made, is it now our loss? Will dividend pay-outs take place per quarter or per year?</p>	<p>Unfortunately, no arrear dividends will be paid out but will be converted into the new hybrid preference share or ordinary shares.</p> <p>Under the new hybrid preference share option, there will be no monthly dividend payable.</p>
<p>14. Will I be able to withdraw my entire investment amount? If so, when?</p> <p>What is the possibility to redeem shares?</p> <p>What is the earliest date that an investor can redeem the money from these investments?</p>	<p>Unfortunately, not. Hybrid preference shares have no fixed redemption date and is dependent on trigger events. These shares will be tradeable on the JSE.</p> <p>Ordinary shares can be traded on the JSE in order to access cash from disposal of the shares.</p> <p>Unfortunately, it is not possible in terms of the two scenarios. Preference shares will convert to ordinary shares unless the vote is successful on 27 May to convert to the hybrid preference shares. The hybrid share will be listed on JSE and will not have any dividend or fixed redemption date. There is no option for redemption/payment of capital or dividend accrued to date, at this time.</p> <p>The redemption or part-redemption of investments is at the discretion of Ecsponent's board and will be as soon as there is sufficient excess cash in the business from disposal of investments.</p>
<p>15. What value does my preference shares currently have for me at all, if I don't receive my monthly dividends? I am a pensioner who needs monthly dividends. I would</p>	<p>The intrinsic value of your investment is not lost, however, we have appreciation for the sense of loss due to no further monthly dividends being paid.</p> <p>The preference shares can be sold on the open market, but the price will be determined by the demand and supply for these shares. Cashflows to Hybrid Preference</p>

<p>like to know when an option can be finalized when I can get my money back? I am not interested in changing my preference shareholders into ordinary shares listed on the JSE.</p> <p>Is it possible for me to disinvest and take out my investment now that I no longer have an income?</p> <p>Will pay-outs only be made when money is available? - Timeframe?</p> <p>If it cannot be paid out, what can be done if money is needed urgently?</p> <p>After MOI accepted can application be made for money to be paid out?</p>	<p>shareholders shall be in the form of 20% of any declared dividends to ordinary shareholders and redemptions when the company's cashflow improves. This will be likely when some of the investments have reached maturity and are disposed of in 3 to 5 years' time.</p> <p>Ecsponent is not in a position to provide an immediate redemption. In order to provide preference shareholders with an option to retain their preferential rights and participate in future redemptions once underlying investments have matured enough to sell, the Company has proposed a change to its MOI to effect such an option. Partial or full redemptions are at the discretion of the board and will take place when there are sufficient resources available to the Company. This will likely be at a time when Ecsponent disposes its interest in its investments in the medium to long term, which is the active plan.</p>
<p>16. Why can't you pay out our capital?</p>	<p>The company is not in the position to redeem/payout the preference shares. We are actively perusing a strategy to see which of our underlying assets can be sold but in this economic environment it is not financially feasible. As the economic environment improves and the underlying investment improve so the probability of realizing good value from the investments will take place.</p>
<p>17. What alternative is there from Ecsponent's side to as far as monthly income is concerned for people whose life savings were invested?</p>	<p>The new alternatives proposed in the amended MOI do not include monthly dividend payments.</p>

<p>18.What is the value of my preference shares in ZAR (Rands) if it is converted into ordinary shares? What will the value be per share?</p>	<p>The rand value of the preference share investment will be the same value on the date of conversion into ordinary shares and thereafter will be subject price movements on the JSE. For example, if an investor had invested R100 000 in preference shares, he will receive ordinary shares to the value of R100 000. The price per share will be converted at R0,03639, culminating in the issuance of 2,748,008 ordinary shares.</p>
<p>19.If Company shares are issued, what will be worth per share be? Can Company shares then be sold immediately? Large selloffs might then be worth less than issue price? Lose-Lose situation!</p>	<p>The conversion rate from preference share to ordinary share is R0,03639 per ordinary share. Shares can be sold immediately, but the price and volume of shares that can be traded will be determined by market demand for the share and the supply of shares to the market.</p>
<p>20.How will a trigger event influence the redemption of my capital?</p>	<p>A trigger event will occur when the Company disposes any of its investments and upon receipt of the proceeds, the Board of Ecsponent will at its discretion ascertain the Company's cashflow requirements and the balance of the available cash shall be paid over to preference shareholders as redemption of the hybrid preference shares.</p>
<p>21.If it was R100 per Preference Share, are we now dividing the current price of R0.05 into R100 which then gives us 2,000 ordinary shares per 1 Preference Share?</p> <p>If we vote negatively and it is accepted, the shares will be converted to ordinary shares at a fair value that was valid 20 days prior to the announcement. What is that "fair value" and how is the conversion calculated?</p>	<p>The conversion rate into ordinary shares shall be calculated at the volume-weighted average price of the Company's ordinary shares, calculated over the preceding twenty days of trading on the JSE prior to the first day of default, which amounts to R0,03639 per ordinary shares.</p> <p>The conversion from preference shares to ordinary shares is therefore a value for value exchange. For example, if a preference shareholder holds one preference share worth R100, then at conversion it will convert to the relevant number of ordinary shares (being 2,748 ordinary shares valued at R0.03639 per ordinary share).</p> <p>Shares can be sold immediately, but the price and volume of shares that can be traded will be determined by market demand for the share and the supply of shares to the market.</p>

<p>22.If approved, Ecsponent my Series 6 Class C preference shares will be redeemed at R101.05 per share. Am I going to receive the cash?</p>	<p>No, you will not receive cash but will receive either the hybrid preference share or ordinary shares. This will be determined at the vote on 27 May.</p>
<p>23.If the proposal is not approved, my shares will be converted to ordinary shares at a rate that may be worth less. I will only receive my dividend once a year if a dividend is declared.</p>	<p>Your ordinary shares will not be worthless and depending on market demand you can trade these shares on the JSE. Shares can be sold immediately, but the price and volume of shares that can be traded will be determined by market demand for the share and the supply of shares to the market.</p> <p>Dividends on ordinary shares are at the discretion of the board and subject to the provisions of the Companies Act.</p>
<p>What happened and why are we at this point?</p>	
<p>24.How is it possible that the company could lose R2 billion in value in 6 months?</p> <p>Was the value incorrect in the past, or did the value go down by so much in 6 months?</p> <p>What is Ecsponent doing to correct this?</p>	<p>MyBucks is listed on the Frankfurt Stock Exchange and the value of Ecsponent's investment in that company is determined by MyBucks' share price, that can vary greatly depending on market conditions and investor sentiment. Over the past number of years, fintech companies (which MyBucks was being marketed as) attracted significant valuations on the Frankfurt Stock Exchange. Considering the losses MyBucks suffered as a result of overinflated head-office costs, continued operational losses and a misdirected strategy, these valuations have fallen considerably.</p> <p>We remain confident of the performance of the underlying microfinance banks (similar to Capitec), that has been profitable throughout (these profits were misdirected towards tech research and development, etc.) and going forward there won't be losses to absorb these profits and we anticipate improved valuations in future as market conditions improve post COVID-19 and a track record of profitability is achieved.</p>
<p>25.Has Ecsponent unilaterally cancelled our 5-year term agreement?</p>	<p>Terms of your investment has always and still is founded in the statutory documents of Ecsponent.</p> <p>Ecsponent registered its Listed preference share Programme as approved by the JSE in 2014, along with the registered memorandum of incorporation, preference share terms</p>

<p>Have there been any other changes to the MOI?</p>	<p>have remained unaltered since 2014, and therefore the circular to shareholders to vote on proposed amendments to these terms. This is important to note as no unilateral changes have been made, and preferent shareholders are therefore requested to now vote on proposed amendments as detailed in the circular published.</p> <p>The suggested changes to the MOI are to provide investors with an option to retain their preferential rights and participate in the future cashflows of the Company, as opposed to the obligatory conversion to ordinary shares which is the only option in terms of the current MOI.</p> <p>In order to generate sufficient returns, Ecsponent’s current assets require 3 to 5 years to mature but is not guaranteed.</p>
<p>26. Why did brokers not advise us at the time of investment that it was a high-risk investment?</p>	<p>All investments generally have an inherent risk of loss and preference shares in Ecsponent were no different. No investment is risk free even Government Bonds aren’t risk free.</p>
<p>27. How serious is the situation at Ecsponent? Are you going to liquidate? What options are there to assure me?</p>	<p>Ecsponent is still a going concern and has a portfolio of investments with reasonable medium to long term prospects and continues to meet its liquidity and solvency requirements and which will generate free cash flows to be able to redeem the preference shares.</p>
<p>28. Please explain to us how all of this happen? We were shocked to hear about this, and is very much in the dark about what happened.</p>	<p>Ecsponent’s biggest investment and asset is MyBucks. Due to concentration risk, the Company was exposed to the losses incurred through the challenges that MyBucks faced and were incorporated in Ecsponent’s financial results. Active steps and corrective measures have been put in place at MyBucks to ensure that we reposition the business. Ecsponent also changed its year-end to allow for use of MyBucks audited financial information, to ensure more accurate reporting for the Company with a now March financial yearend.</p>
<p>29. Why have you changed the business model?</p>	<p>The business model has not changed. The only thing that has changed is that we are now becoming more involved in the underlying assets to ensure real growth.</p>

Current state of affairs at Ecsponent & MyBucks	
<p>30. What are the costs involved with the new management team and board?</p>	<p>MyBucks and Ecsponent staff compliment specifically in Pretoria which was primarily handling the respective head offices, fundraising and tech functions was close to 200 people and now we have limited and right sized it to less than 10% across both companies.</p> <p>The new team costs not more than 25% of the former costing structure. It is important to note that we now have the right people with the right expertise to manage an investment company.</p>
<p>31. What is happening with the share price? It has moved from 3c to 8c now?</p>	<p>We don't know why the share prices has moved but we have asked our sponsor to share the share register. The share price is out of our hands and we are here to position the business for the future.</p>
<p>32. Will the 2020 financials or interim financials be finalised before we have to vote?</p>	<p>The interim 6-month period ending 31 December 2019 has been published and is available on our website. With the financial yearend change, to a March yearend, we are currently busy with the audit and expect to release results towards the end of June 2020, the exact date to be confirmed in due course.</p>
Process and Logistics	
<p>33. How do we vote?</p>	<p>All shareholders are requested to complete the appropriate proxy form for their respective class of share by completing the name of the registered shareholder, exercising their preferred vote in the blocks provided and sign the proxy form. Shareholders are free to elect their desired vote, albeit in favour or against the resolution or abstain from voting altogether.</p> <p>Signature shall include any signature permitted under the Electronic Communication and Transactions Act; therefore, electronic signatures will be permitted. Completed proxies should be submitted via email to proxy@computershare.co.za. Shareholders are urged to forward documentation as soon as possible and at least by 25 May 2020.</p> <p>This information is available on the proxy form under the heading: Voting.</p>

	<p>Computershare is an independent organization and Ecsponent’s appointed Transfer Secretaries.</p>
<p>34.What would happen to the scheduled Meeting on 27 May 2020 if the Lockdown continues and no meeting to pass the proposed resolution is allowed to take place in terms of the COVID regulations?</p>	<p>Due to the pandemic and the limitations brought about with regard to logistics of convening a meeting in person, shareholders will be advised ahead of time of the appropriate virtual platform that will be made available to conduct the meeting via virtual conference.</p> <p>Shareholders who wish to attend the General Meeting electronically, are required to send written notice to the Transfer Secretaries, Computershare Investor Services Proprietary Limited (the “Electronic Notice”). Please note that this does not include electronic voting, and therefore you are required to complete and submit your completed proxy.</p> <p>In order for the Electronic Notice to be valid it must contain:</p> <p>(a) if the Preference Shareholder is an individual, a certified copy of his identity document and/or passport;</p> <p>(b) if the Preference Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out whom from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and</p> <p>(c) a valid e-mail address and/or facsimile number (the “contact address/number”)</p>
<p>35.Whether these documents must be certified, bearing in mind that getting these certified, in the present Level 4 of lockdown, could be difficult.</p>	<p>Note that should you vote by making use a proxy form, a certified ID is not required. The only certified documentations required will be when applying to partake via Electronic Notice. Please refer to point 34.</p>
<p>36.Is voting for MOI compulsory and what happens when you do not vote? (default)</p>	<p>Voting is highly encouraged but not compulsory. If you do not vote and the class of your preference shares does not satisfy the required thresholds to vote in favour, then the preference shares will automatically convert into ordinary shares.</p>

<p>37.If MOI is not accepted will Company shares then be issued automatically?</p>	<p>Yes, if the amended hybrid preference share is not accepted during the voting, the preference shares will automatically convert to ordinary shares in Ecsponent Limited.</p>
<p>38.Can some steps not be automated? We are in a Lockdown situation and might be for months to come.</p>	<p>Should the proposed MOI not pass then the preference shares will convert automatically into ordinary shares. Please refer to point 34 above for electronic participation</p>
<p>39.An option of ordinary shares was put on the table. The Ecsponent share price has performed dismally – what company will the ordinary shares be traded in and what is the underlying financial stability of that company like, particularly in a very unstable economy in South Africa at present</p>	<p>The ordinary shares will be held in Ecsponent Limited, listed on the JSE. Following the turnaround at MyBucks and the rationalization at both Ecsponent and MyBucks, the directors are confident of the long-term growth of Ecsponent. We believe that Ecsponent and MyBucks restructuring coupled with exposure to other sectors like renewable energy will in the medium term see a repositioning of the Company, which will most likely reflect in the Company's share price.</p>
<p>40.In layman terms, what is the difference between the current MOI and proposed MOI? What are the terms of the new hybrid preference share?</p>	<p>In terms of the current MOI, in the event of a default on dividend or redemption payments, those classes of preference shares affected convert to ordinary shares if the default is not remedied within 3 months.</p> <p>The proposed amendments to the MOI will see preference share terms changed to reflect the following:</p> <ul style="list-style-type: none"> • redeemable, partially or in full, solely at the discretion of the board having regard to the funds available to the Company, which will specifically be assessed by the Board on the occurrence of a Trigger Event, based on the redemption amounts contained in Annexure 1 of the Circular; • zero coupon (stated interest rate), but with dividends to be paid solely at the discretion of the board, and which dividend will not exceed 20% of any dividend declared by the board to all security holders in relation to any particular financial year;

	<ul style="list-style-type: none"> rank <i>pari passu</i> with all other classes of preference shares, but in priority to ordinary shares. <p>In short, converting to the new preference share means preference shares may be redeemed in future for their cash value, depending on the Company's ability to meet these payments.</p> <p>These preference shareholders will continue to stand first in line to receive dividends when they become available at the sale of underlying equity stakes, and the preference shares will still stand ahead of ordinary shares when distributable cash becomes available.</p> <p>To approve the proposed amendments at least 75% of the shareholders entitled to vote, being present or represented, and also, at least 66.67% of the value of each respective class of preference shares, must vote in favour.</p>
<p>41. Please explain the three options when voting: Accept and vote positive for the amendment</p>	<p>If enough preference shareholders vote for in favour, the MOI will be changed, and the particular class of preference shareholders will convert into a hybrid preference share at the same value as the original investment (plus the declared and accrued dividends). The hybrid preference share does not attract monthly dividends and partial or full redemption will only occur when there is sufficient capital in the business to do so – likely when one or more of the underlying investments have matured enough to be sold.</p>
<p>42. Do not accept it and vote against the amendment</p>	<p>if the proposed amendments to the MOI are voted down/fail, then that respective class of preference shares' terms will not be amended and the original terms shall prevail – therefore, convert to ordinary shares.</p>
<p>43. Do we need to vote on the special and ordinary resolution?</p>	<p>Yes, ideally you need to cast your vote on both resolutions. Special resolution is whether or not you vote in favour of the proposed amendments to the memorandum of incorporation and the ordinary resolution is to authorize any of the directors or the company secretary to do the needful in order to give effect to the outcome of the Special resolution.</p>

What is the nature of the shares? Preference share? Hybrid? Ordinary?	
<p>44. What benefits would we gain from ordinary shares?</p>	<p>Over time, should Ecsponent declare dividends, ordinary shareholders will participate in dividends, but only after preference shareholders have been paid. If Ecsponent's market value (determined by the share price traded on the JSE) increases, ordinary shareholders will be able to sell their shares at a profit. The quantity of shares one will be able to sell and the price one will be able to sell for will be determined by the demand for the share. As with any investment on the JSE, the price of a share is determined by the market. Market perception is often based on prospects, good management, profitability and track record. As Ecsponent continues to deliver on its strategy, the Company will regain the market's trust, which should be reflected in the share price.</p> <p>The hybrid preference share retains the preference right to cashflow.</p> <p>It is important to note that if the new hybrid preference share is approved on 27 May, then all preference shareholders will have the same rights.</p> <p>If the vote is not in favour of the hybrid share, then you will become an ordinary shareholder and of course you can sell these shares on the JSE based on supply and demand.</p>
<p>45. If I decide on Zero coupon and the majority redeem their investment, what will become of my investment?</p>	<p>All hybrid preference shares will attract a zero coupon. Based on available cash in the business, the Company could in future do partial / full redemptions. This will be likely once underlying investments have matured enough to be sold.</p>
<p>46. It is important to note that the shares will be redeemable "partially or in full". This is a very wide discretion. They may decide to pay us only 10%. What is the indication of the Board?</p>	<p>Partial redemptions may be made as soon as there is enough capital available in the business to do so, e.g. when an investment in one of the underlying assets gets sold. Each time there is sufficient capital available, a partial redemption will be done, until all the hybrid preference shares have been fully redeemed.</p>
<p>47. Why the new hybrid share?</p>	<p>The rationale for the new hybrid preference share – the board saw it fit to provide an alternative that gives preferential rights to shareholders to access the cash when assets are sold in the medium to long term. Investors were expecting their investments to</p>

	mature so by maintaining the preferred right, they will still rank higher than ordinary shareholders.
48.What is the difference between ordinary shares and preference shares?	Preference share (hybrid)– has preference rights to receive cash ahead of ordinary shareholders. Ordinary shares – through dividends when declared or by selling them on the JSE
49.Can the hybrid shares be converted into ordinary shares?	This could be a possibility in the future but is not an option at this moment in time. Should it be presented to shareholders in the future, it will be a new transaction that will require Regulatory approval and have its relevant and associated terms and conditions.
50.What does the 0% coupon mean?	This means there will not be any monthly dividend and the capital growth which ceases at the date of conversion.
51.Can an investor convert a Class B or D to a Note?	Unfortunately not.
52.Is this a dilution of the existing shares if we elect for ordinary shares?	Yes. The current ordinary shareholders will be diluted as the number of shares in issue are increased.
53.According to me there was no consultation with the individual shareholders regarding the amendments. What are the requirements in this regard?	All investors are encouraged to seek advice from an independent financial advisor. It is important to emphasize that shareholders should acquaint themselves of the content of the circular and carefully consider the information contained therein and obtain independent financial advice to assess the appropriate action best suited for their personal portfolio.
Death of the preferent shareholder	
54. What happens to money when owner dies? - Paid out to estate? - When?	In the unfortunate event of the passing of an investor, the investment will fall within the deceased estate and will be managed accordingly by the appointed executor and dealt with as per the wishes recorded in the last will and testament. The terms of the share remain unaffected by the event of death of the investor. The investment will be

	inherited and transferred to the heirs – a process that will be managed by the executor of the estate.
Section 164 of the Companies Act	
55. If a shareholder elects to follow the procedure in terms of section 164 of the Companies Act, he is entitled to be paid a "fair value" for his shares. Who determines this amount? Are there examples regarding the application of this section?	<p>It is important to take note that the proposed amendments to the Memorandum of Incorporation of Ecsponent Ltd, is <u>conditional</u> upon <u>no</u> preferent shareholder exercising their appraisal rights as provided for in s.164 (please refer paragraph 2.5 of the circular, as well as the wording tabled in the special resolution).</p> <p>In the ordinary course, to rely on the provisions of s.164, a resolution <u>must be adopted successfully</u> in order to have a claim under the stated provision and all procedures must be complied with as prescribed by the Companies Act, (extract provided in Annexure 5 of the circular), <u>however</u>, invoking section 164 will cause the vote to fail due to the condition linked thereto.</p> <p>In other words, if <u>one or more shareholders dissents</u> through invoking section 164 in any respective class, the resolution <u>cannot be adopted due to the conditionality</u> as aforesaid, and the original terms of the class will remain unaltered, and therefore the obligatory conversion to ordinary shares will take place as per the original terms of the preference shares in the event of default.</p>
Numbering of classes	
56. I don't understand the numbering of class B shares?	<p>The initial numbering sequence for all classes A, B and C were initially ECSP with every third number being that of the correlating class, A would be ECSP1, ECSP4, ECSP7 etc. class B was ECSP2, ECSP5 ECSP8 etc. This was the position for the first 8 series of classes A to C.</p> <p>When the company commenced issuance of classes D, E and later G, the numbering sequence was amended to refer to the letter of the class as a new identifier. This change was incorporated after issuance of Class ECSP24 (a class C series), and therefore, the question posed, where is class ECSP26 – this class is in fact class ECSP9</p>

END