

ANCHOR IS DELISTING – WHAT TO DO IF YOU OWN ANCHOR SHARES

It is expected that finalisation announcement will be released on or about 2 February 2021

If you want to sell **all** of your Shares at R4.25 you do not need to do anything. This is the default option and will occur unless you take the actions as described below by 12:00, [Friday, 12 February 2021] (*Date is dependent on the release of the finalisation announcement*).

If you want to retain your shares in the unlisted entity, or sell only a portion, you must inform your broker or your CSDP. Please also include delisting@anchorcapital.co.za on all correspondence for information purposes.

In the absence of an election being received by the transfer secretaries by 12:00 on [Friday, 12 February 2021], you will be deemed to have elected that all of your Shares are repurchased for a cash consideration of R4.25 per Share.

If you are a dematerialised shareholder, you must **NOT** complete the form of election attached to the circular **unless your CSDP or broker is unable to electronically record your elections due to you being registered as an Own-Name Dematerialised Shareholder and following engagement with them, must you complete the form of election attached to the circular (attached hereto for ease of reference) in which case, you must make record your election by filling out the form of election as follows:**

- (i) in respect of those shares that you wish to tender for sale under the repurchase, fill in and complete that number of shares under the column entitled “*Voluntarily tender your shares to Anchor*” in the form of election; or
- (ii) in respect of those shares that you wish to retain, fill in and complete that number shares under the column entitled “*Remain invested in Anchor*” in the form of election.

The form of election may be delivered by hand or sent by email or mail to the following addresses:

If delivered by hand:

Link Market Services South Africa Pty Limited
13th Floor, 19 Ameshoff Street, Braamfontein, 2000

If sent by email:

meetfax@linkmarketservices.co.za

Please include delisting@anchorcapital.co.za on all correspondence for information purposes.

If you are a *certificated shareholder*, please make your election by completing the form of election on the basis set out above.

TAXATION CONSIDERATIONS

General

The Scheme Consideration constitutes:

1. a dividend for tax purposes for Repurchase Scheme Participants who are Shareholders that are SA Corporates as contemplated in section 64F(1)(a) of the Income Tax Act, No. 58 of 1962 (“Income Tax Act”); or
2. a return of capital out of contributed tax capital (“CTC”) as defined in the Income Tax Act for all Repurchase Scheme Participants other than SA Corporates.

SA Corporates

Repurchase Scheme Participants who are shareholders that have submitted the prescribed documentation contemplated in section 64G(2)(a) of the Income Tax Act on which they have indicated to the relevant regulated intermediary that they are SA corporates (“Qualifying SA Corporates”) will have met the requirements for exemption from dividends tax (that was introduced with effect from 1 April 2012) in terms of the Income Tax Act. However, where the SA Corporate fails to provide the prescribed documentation contemplated in section 64G(2)(a) of the Income Tax Act to the relevant regulated intermediary, and therefore fails to be a Qualifying SA Corporate, such SA Corporate will receive its Scheme Consideration as a dividend on which the 20% dividends tax will be withheld.

If you are a SA Corporate you must ensure that you have provided the prescribed documentation to your regulated intermediary (i.e. your CSDP or Broker).

SA tax residents other than SA Corporates and non-SA tax residents

All other Repurchase Scheme Participants who are not SA Corporates will receive their Scheme Consideration as a return of capital out of CTC. Accordingly, the Scheme Consideration will be regarded as “proceeds” as defined in Part VI of the Eighth Schedule of the Income Tax Act.

The tax implications of the Scheme Consideration will depend on the individual tax circumstances of each Repurchase Scheme Participant and the tax jurisdictions applicable to such Scheme Participant. It is recommended that the Scheme Participants consult their professional advisors immediately if they are in any doubt as to their tax position.

(Extract from the Circular issued 16 November 2020)



ANCHOR GROUP LIMITED

(Incorporated in the Republic of South Africa) (Registration number 2009/005413/06)

Share code: ACG ISIN: ZAE000193389

FORM OF ELECTION (*WHITE*) (“FORM”)

FORM OF ELECTION (TO BE COMPLETED BY ALL CERTIFICATED AND “OWN-NAME” DEMATERIALISED SHAREHOLDERS)

The definitions and interpretation commencing on page 5 of the Circular to which this Form of Election (*white*) is attached, apply, *mutatis mutandis*, to this Form.

If you do not wish to receive the default option as described in paragraph 4.1.1 of the Circular to elect to voluntarily tender all of your Shares to Anchor, you **must**, complete this form of election.

By completing this Form, you confirm that you have full legal capacity to contract and, being in possession of a copy of the Circular or being aware of the contents thereof.

By completing the table below, you irrevocably elect **not** to receive the default option as described in paragraph 4.1.1 of the Circular to elect to voluntarily tender your all of Shares to Anchor.

Name of Shareholder:	Voluntarily tender your Shares to Anchor*	Remain invested in Anchor*
<p>Election: You are entitled to elect whether to voluntarily tender all or some of your Shares to Anchor or remain invested in Anchor following the Delisting in the unlisted space.</p> <p>If you do not make an election it shall be deemed that you have elected to voluntarily tender all of your Shares to Anchor.</p> <p>(insert the number of Anchor shares you wish to apply to each option)</p> <p>* must add up to the total number of Shares held by the Shareholder, in the event that the Shares do not aggregate to the number of Shares held by the Shareholder, Anchor shall proportionately decrease all the Shares to ensure the total is equal to the total number of Shares held by the Shareholder.</p>		

Notes:

1. Elections made as part of this Form are irrevocable and may not be withdrawn once submitted.
2. Scheme Participants should consult their professional advisors in case of doubt as to the correct completion of this Form.
3. Persons who have acquired Shares after the date of the issue of the Circular can obtain copies of the Form and the Circular from the Transfer Secretaries.
4. If the instructions set out in this form and the Circular are not fully complied with, Anchor reserves the right to accept such applications in whole or in part, at its discretion.
5. The Form of Election must only be used by Certificated Shareholders or Dematerialised Shareholders with "own-name" registration.
6. Shareholders are reminded that the onus is on them to communicate with their CSDP or Broker.
7. Forms must be lodged at or posted to Link Market Services South Africa Pty Limited, 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000) or emailed to meetfax@linkmarketservices.co.za by Scheme Operative Date. Please include delisting@anchorcapital.co.za on all correspondence for information purposes
8. Any alteration or correction made to this Form of Election, other than the deletion of alternatives, must be initialled by the signatory/ies.

Signed at

on

Signature

Assisted by (if applicable)

Address

Telephone number

Cell phone number