THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis*, to this document, including the cover page, except where the context indicates the contrary intention.

Action required

- If you have any doubt as to what action you should take arising from this Circular, please consult your accountant, attorney or other professional advisor immediately.
- For what the Odd-lot Offer means to SEI1 and the Odd-lot Holders please refer to page 2 of this Circular.
- SEI1 Shareholders and Odd-lot Holders are referred to pages 3 and 4 of this Circular, respectively, which set out the action required by them.

Selective Empowerment Investments 1 Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/033697/06)

Circular to SEI1 Shareholders

regarding
- a proposed odd-lot offer by SEI1 to repurchase from SEI1 Shareholders, holding less than 1000 SEI1 Shares, all such SEI1 Shares at the Fair Market Value of an SEI1 Share on or about 30 September 2021 (**"Odd-lot Offer"**)

and incorporating
- a notice of General Meeting
- a Form of Proxy including a Form of Election

Date of issue: 15 October 2021

This Circular is available in English only. Copies may be obtained from the Transfer Secretaries by emailing sei@singularservices.co.za or from the Registered Address of SEI1, which is set out in the 'Corporate information and advisors' section of this Circular during normal business hours from 15 October 2021 until the General Meeting (both days inclusive). A copy of this Circular will also be available on
- SEI1's website (https://seinvest.co.za) and
- the OTC Platform (https://www.otcexpress.co.za/ShareView.aspx?sharecode=SEI11)

from 15 October 2021.

The Odd-lot Offer is not being made, directly or indirectly, in or into a Restricted Jurisdiction and the Odd-lot Offer cannot be accepted from within a Restricted Jurisdiction. If received in any Restricted Jurisdiction, this Circular should be treated as being received for information purposes only. The information contained herein does not constitute a distribution, an offer to sell or the solicitation of an offer to buy any SEI1 securities in any jurisdiction in which such distribution or offer is not authorised.

Valuation Expert	Legal Advisor	Transfer Secretaries
ALDWYCH VALUATIONS	W.T.C. whipping the cat TAILORED LEGAL SOLUTIONS	singularsystems simplifying complexity

Corporate information and advisors

Company Secretary and Registered Address
IKB Company Secretaries Proprietary Limited
42 Gazelle Close,
Corporate Park South
Midrand, 1685

Legal Advisor
Whipping The Cat (Pty) LtdW17
32 Kloof Street
Gardens
Cape Town, 8001

Transfer Secretaries
Singular Systems Proprietary Limited
25 Scott Street
Waverley
Johannesburg, 2090

Valuation Expert
Aldwych Valuations Proprietary Limited
Oxford Road
Parktown
Johannesburg, 2193

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What the Odd-lot Offer means for SEI1 and the Odd-lot Holders

If you own less than 1 000 Shares at the close of business on 19 November 2021, you are an Odd-lot Holder.

SEI1 has decided to proceed with the implementation of the Odd-lot Offer to repurchase from the Odd-lot Holders, their Odd-lot Holdings at the Fair Market Value of an SEI1 Share on 30 September 2021. An odd-lot offer is a 'standard' corporate action and is permitted by the Company's Memorandum of Incorporation.

The Odd-lot Offer will provide Odd-lot Holders with the ability to dispose of their Odd-lot Holdings on an efficient basis and will provide liquidity for those Odd-lot Holders who elect not to retain their Odd-lot Holdings or who make no election. For SEI1, it will, *inter alia*, reduce the complexity and cost of managing a large shareholder base. Further detail in respect of the advantages of implementing the Odd-lot Offer is contained in paragraphs 1 and 2 of this Circular. **Odd-lot Holders can elect to retain their shareholding in SEI1**.

For SEI1 to implement the Odd-lot Offer, the Directors are seeking approval from Shareholders to implement the Odd-lot Offer, and are therefore convening the General Meeting, to be held virtually on 19 November 2021 at 11:00, at which all Shareholders will be entitled to participate in and/or vote on the Resolutions required to implement the Odd-lot Offer. The Odd-lot Offer is conditional on the Resolutions being approved by the Shareholders at the General Meeting. The Transfer Secretaries will be conducting a proxy solicitation process, which will include requesting the conditional election of Odd-lot Holders as to whether to retain or surrender their Odd-lot Holdings. Odd-lot Holders are encouraged to

Following the approval of the Resolutions being considered at the General Meeting, the Odd-lot Offer will open and if you are an Odd-lot Holder you must decide to either:

- sell your Odd-lot Holding to SEI1 at the Offer Price; or
- retain your Odd-lot Holding.

If you wish to retain your SEI1 Shares you must specifically make an election to do so by:

- **using the Form of Election, or**
- **contacting the Transfer Secretaries, or**
- **using the online voting function on the OTC Platform.**

Odd-lot Holders who do not make an election will automatically be regarded as having accepted the Odd-lot Offer and shall be deemed to have agreed to dispose of their SEI1 Shares to SEI1 and receive the Cash Consideration.

Action required to be taken by SEI1 Shareholders at the General Meeting

The notice convening the General Meeting to approve the Odd-lot Offer is attached to the Circular. The General Meeting will be held through electronic communication, as permitted by the provisions of the Companies Act and the MoI on 19 November 2021 at 11:00.

1. PARTICIPATION IN GENERAL MEETING

You are entitled to electronically participate in and/or vote at, or be represented by proxy at, the General Meeting.

If you are unable to electronically participate in the General Meeting, but wish to be represented thereat, you should complete and return the enclosed Form of Proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, for administrative purposes to ensure an orderly arrangement of affairs on the day of the General Meeting, by no later than 11:00 on 18 November 2021:

Hand deliveries to:
Singular Systems Proprietary Limited
25 Scott Street
Waverley
Johannesburg, 2090

Postal deliveries to:
Singular Systems Proprietary Limited
PO Box 785261
Sandton
2146

Email submissions to:
sei@singularservices.co.za

2. IMPACT OF COVID-19 OUTBREAK ON THE GENERAL MEETING

2.1 In terms of the Company's MoI and sections 63(2) and 63(3) of the Companies Act, SEI1 Shareholders or their proxies may participate at the General Meeting by way of an electronic communication facility.

2.2 As a result of the COVID-19 outbreak, SEI1 Shareholders are required to participate in the General Meeting via electronic means, rather than physically. SEI1 Shareholders' attention is also drawn to the guidance from authorities regarding the need for social distancing, and therefore we urge SEI1 Shareholders to submit their votes via proxy.

2.3 The Transfer Secretaries have been retained to assist the Company to host the General Meeting on an interactive platform, in order to facilitate electronic participation and voting by Shareholders.

2.4 Any Shareholder (or a representative or proxy for a Shareholder) who wishes to participate in and/or vote at the General Meeting by way of electronic participation ("**Participant(s)**"), must either:

2.4.1 register online using the online registration details provided by the Transfer Secretaries prior to the commencement of the General Meeting; or

2.4.2 contact the Transfer Secretaries by sending an email to sei@singularservices.co.za by no later than 11:00 on 17 November 2021, in order for the Transfer Secretaries to arrange such participation for the Shareholder and to provide the Shareholder with the details as to how to access the General Meeting by means of electronic participation. Shareholders may still register or apply to participate in and/or vote electronically at the General Meeting after this date, provided, however, that those Shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting. All Shareholders are entitled to attend and participate via the use of the electronic platform.

SEI1 Shareholders will need proof of identification (copy of identification document, passport or drivers licence) to validate and confirm the identity of the SEI1 Shareholder in terms of section 63(1) of the Companies Act. Thereafter, if validated, such SEI1 Shareholder will be provided with further details on using the electronic communication facility.

2.5 The Company shall, by no later than 11:00 on 18 November 2021, notify Participants who had notified the Company Secretary in accordance with paragraph 2.4 above, by email of the relevant details through which Participants can participate electronically.

2.6 SEI1 will not be responsible for any costs incurred by SEI1 Shareholders who participate electronically. The cost of electronic participation in the General Meeting is for the expense of the Participant and will be billed separately by the Participant's own service provider.

2.7 The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies SEI1 against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against SEI1, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the General Meeting.

2.8 SEI1 cannot guarantee there will not be an interruption in electronic communication that is beyond the control of the Company.

Action required to be taken by Odd-lot Holders, following the General Meeting

Following the approval of the Resolutions to be considered at the General Meeting, the Odd-lot Offer will open and if you are an Odd-lot Holder you must decide to either:

- sell your Odd-lot Holding to SEI1 at the Offer Price; or
- retain your Odd-lot Holding.

IF YOU WISH TO RETAIN YOUR SEI1 SHARES you must specifically make an election to do so, by:

- **completing the Form of Election and returning it to the Transfer Secretaries at the address set out in that form, or**
- **contacting the Transfer Secretaries, or**
- **using the online voting function on the OTC Platform,**

by no later than 11:00 on 25 November 2021.

IF YOU WISH TO SELL YOUR SEI1 SHARES, you are not required to take any action. Those Odd-lot Holders who do not make an election will automatically be regarded as having accepted the Odd-lot Offer and shall be deemed to have agreed to dispose of their SEI1 Shares to SEI1 and receive the Cash Consideration.

Salient dates and times

The definitions and interpretations commencing on page 6 apply *mutatis mutandis* to this salient dates and times section of this Circular.

	2021
Record date to determine which SEI1 Shareholders are eligible to receive the Circular	11 October
Announcement relating to the Odd-lot Offer and the issue of the Circular (together with the Notice of General Meeting) released on the OTC Platform & SEI1 website	15 October
Distribute Notice of General Meeting and Circular to SEI1 Shareholders	15 October
Record date to be entitled to vote and participate in the General Meeting	18 November
Recommended last day to lodge Forms of Proxy for the General Meeting	18 November
General Meeting to be held through electronic communication at 11:00	19 November
Announce results of the Resolutions proposed at the General Meeting on the OTC Platform	19 November
Record date for the Odd-lot Offer	19 November
If the Resolutions are passed at the General Meeting, the Odd-lot Offer opens at 09:00	20 November
Odd-lot Offer closes at 11:00	25 November
Payment of the Cash Consideration to Odd-lot Holders who have accepted the Odd-lot Offer or who have made no election	26 November
Results of the Odd-lot Offer released on the OTC Platform	26 November
Cancellation of SEI1 Shares repurchased in terms of the Odd-lot Offer expected on or about	26 November

Notes:

1. These salient dates and times are subject to amendment at the discretion of the Company. Any such amendments will be released on the OTC Platform & SEI1 website.
2. All times quoted in this Circular are local times in South Africa.
3. Odd-lot Holders are requested to notify the Transfer Secretaries of their election by the cut off time.
4. In the case of Odd-lot Holders who decide to sell their Odd-lot Holdings for the Cash Consideration, payment will be made by electronic funds transfer into the bank accounts or verified cellphone wallet of the FICA-verified Odd-lot Holders on or about 26 November 2021.
5. Odd-lot Holders who are non-residents of the Common Monetary Area and who have never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, and who decide to sell their Odd-lot Holdings for the Cash Consideration, are referred to paragraph 8.2 of this Circular regarding processing and payment of the Cash Consideration.
6. **Those Odd-lot Holders who do not make an election will automatically be regarded as having accepted the Odd-lot Offer and shall be deemed to have agreed to dispose of their SEI1 Shares to SEI1 and receive the Cash Consideration once they are FICA verified.**
7. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such Forms of Proxy.

Definitions and interpretations

In this Circular, unless otherwise stated or the context otherwise indicates:

- the words in the first column will have the meaning stated in the second column;
- reference to the singular will include the plural and the other way around;
- words denoting one gender will include the other genders; and
- an expression denoting natural persons will include juristic persons and associations of persons.

'Authorised Dealer'	certain banks in South Africa appointed by the South African Minister of Finance to act as authorised dealers in foreign exchange, giving such banks the right to buy and sell foreign exchange, subject to conditions and within limits prescribed by the Financial Surveillance Department;
'Board' or 'Directors'	the board of directors of SEI1 as at the date of this Circular, whose names appear on page 13 of the Circular;
'Cash Consideration'	the Offer Price that will be received by Odd-lot Holders who elect to sell their Shares or who do not make an election;
'Circular'	this document, including the Notice of General Meeting, and if applicable, Form of Proxy;
'Common Monetary Area'	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini;
'Companies Act'	the Companies Act, 71 of 2008, as amended;
'Documents of Title'	share certificates, transfer deeds or forms, balance receipts or any other document(s) of title acceptable to SEI1 in respect of Shareholders;
'Exchange Control Regulations'	the Exchange Control Regulations, 1961, as amended;
'Fair Market Value'	the fair market value of an SEI1 Share, as determined by the Valuation Expert, which is R0.79, as set out in the report annexed to this Circular;
'Form of Proxy'	the form for use by Shareholders to appoint a proxy to represent such Shareholders at the General Meeting;
'General Meeting'	the special general meeting of Shareholders to be held through electronic communication on 19 November 2021 at 11:00, to consider and, if deemed appropriate, approve the Resolutions to give effect to the Odd-lot Offer, together with any meeting held as a result of any postponement, adjournment or reconvening thereof;
'the Group'	SEI1 and its subsidiaries from time to time;
'Income Tax Act'	the Income Tax Act, 58 of 1962, as amended;
'MoI'	the memorandum of incorporation of SEI1;
'Notice of General Meeting'	the notice of General Meeting forming part of this Circular;
'Odd-lot Holder(s)'	Shareholders holding Odd-lot Holdings;
'Odd-lot Holding'	a shareholding of less than 1000 Shares;
'Odd-lot Offer'	a proposed offer by SEI1 to repurchase the Odd-lot Holdings of Odd-lot Holders at the Offer Price;
'Offer Price'	the offer price set out in paragraph 4.1 of this Circular, being the Fair Market Value of an SEI1 Share;
'Registered Address'	the registered office of the Company, being 1262 Embankment Road, 401 Lougardia Building, Centurion, 0157;
'Resolutions'	ordinary resolutions number 1 and 2, and special resolution number 1 as contained in the Notice of General Meeting;

‘Restricted Jurisdictions’	any jurisdiction in which it is illegal or otherwise unlawful for the Odd-lot Offer to be made or accepted, including (without limitation) Australia, Canada, Japan and the United States;
‘SEI1’ or ‘the Company’	Selective Empowerment Investments 1 Limited (Registration number 2007/033697/06), a public company registered and incorporated in South Africa;
‘Shareholders’ or ‘SEI1 Shareholders’	holders of SEI1 Shares;
‘Shares’ or ‘SEI1 Shares’	ordinary shares with no par value in the share capital of the Company;
‘Share Register’	the register of SEI1 Shareholders maintained by the Transfer Secretaries;
‘South Africa’ or ‘SA’	the Republic of South Africa;
‘Transfer Secretaries’	Singular Systems Proprietary Limited (Registration number2002/001492/07), a private company registered and incorporated in South Africa; and
‘Valuation Expert	Aldwych Valuations Proprietary Limited (Registration number 2017/341176/07), a private company registered and incorporated in South Africa;

Selective Empowerment Investments 1 Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/033697/06)

Circular to SEI1 Shareholders

Executive Directors
Mazvita Maradzika

Non-Executive Directors
Terresa Nonkululeko Sindane
Mos Maja
Dr Sihle Sicelo Sibiya
Mokgadi Mogokare
Tiro Motlogeloa
Mphikeleli Solomon Tsie
Mariam Kekana

1. INTRODUCTION AND BACKGROUND

1.1 The Odd-lot Offer

As at 11 October 2021, there are a total of 8 675 Odd-lot Holders on the Share Register, comprising 32.94% of the total number of Shareholders in the Company. The total number of SEI1 Shares held by these Odd-lot Holders comprise 3 180 702 Shares representing only 2.29% of the total issued share capital of SEI1. It can therefore be concluded that nearly a third of the administrative time and costs associated with the Company's shareholder base is incurred with respect to Shareholders that hold less than 3% of total Shares in issue. The Board has proposed the implementation of the Odd-lot Offer to facilitate the reduction in these SEI1 Shareholders in an equitable manner.

In order to (i) provide Odd-lot Holders with an opportunity to realise the value of their investment without suffering dealing charges which might otherwise make it impractical to sell their holding, and to provide liquidity for those Odd-lot Holders who elect not to retain their Odd-lot Holdings or who make no election and; (ii) from the Company's perspective, to reduce the costs and complexity of managing a large shareholder base, SEI1 has decided to proceed with the implementation of the Odd-lot Offer to repurchase the SEI1 Shares from the Odd-lot Holders at the Fair Market Value of an SEI1 Share.

An odd-lot offer is a 'standard' corporate action and is permitted by the Company's MoI. For SEI1 to implement the Odd-lot Offer, the Directors are seeking approval from SEI1 Shareholders to implement the Odd-lot Offer.

1.2 Purpose of the Circular

The purpose of this Circular is to furnish Shareholders with all the relevant information relating to the Odd-lot Offer in accordance with the Companies Act and to convene a General Meeting of the Shareholders in order for the Shareholders to consider and, if deemed fit, approve, with or without amendment, the Resolutions, in terms of the Notice of General Meeting attached to and forming part of this Circular.

2. RATIONALE

2.1 Rationale for the Odd-lot Offer

The Odd-lot Offer will provide Odd-lot Holders with the ability to dispose of their Odd-lot Holdings on an efficient basis and will provide liquidity for those Odd-lot Holders who elect not to retain their Odd-lot Holdings or who make no election, in which case such Odd-lot Holders will be deemed to have agreed to dispose of their Odd-lot Holdings. Odd-lot Holders will dispose of their Odd-lot Holdings to SEI1 and receive the Cash Consideration. Odd-lot Holders can elect to retain their Odd-lot Holdings.

For SEI1, it will, *inter alia*, reduce the complexity and cost of managing a large shareholder base.

The Board has accordingly decided to propose the Odd-lot Offer in order to enable Odd-lot Holders to dispose of their Odd-lot Holdings in a cost-effective manner, thereby reducing the number of Odd-lot Holders in an equitable manner.

3. GENERAL MEETING

A General Meeting of Shareholders will be held through electronic communication on 19 November 2021 at 11:00 in order to consider and approve the Resolutions proposed in the Notice of General Meeting.

Shareholders may electronically participate in, and vote at the General Meeting. Alternatively, they may appoint a proxy to represent them at the General Meeting by completing the attached Form of Proxy in relation to the General Meeting in accordance with the instructions it contains. It is requested that, for administrative purposes to ensure an orderly arrangement of affairs on the day of the General Meeting, the Form of Proxy be returned to the Transfer Secretaries to be received by no later than 11:00 on 18 November 2021.

At the General Meeting, Shareholders will be asked to consider and approve the following Resolutions:

- as a special resolution, specific authority for the Company to repurchase Shares in terms of the Odd-lot Offer;
- as ordinary resolutions, the authority for the Directors to make and implement the Odd-lot Offer.

The Odd-lot Offer is conditional upon both of the above Resolutions being passed at the General Meeting.

4. THE ODD-LOT OFFER

4.1 Offer Price

The Offer Price will be at the Fair Market Value of an SEI1 Share, as determined by the Valuation Expert, which is R0.79. The basis for this determination is set out in the report annexed to this Circular.

The Board has specifically resolved that the Odd-lot Offer will be distributed as a return of capital and will result in a reduction of 'contributed tax capital' as defined in section 1 of the Income Tax Act. The Cash Consideration will therefore not be regarded as a dividend for income tax purposes. SEI1 Shareholders are advised to consult their own tax and/or other professional advisors regarding the taxation implications arising out of the acceptance of the Odd-lot Offer. See Annexure 1 to this Circular in this regard.

4.2 Conditions precedent

The implementation of the Odd-lot Offer is subject to the fulfilment of the condition precedent that the Resolutions relating to the Odd-lot Offer contained in the Notice of General Meeting attached to and forming part of this Circular are duly passed.

4.3 Terms of the Odd-lot Offer

4.3.1 Odd-lot Holders, at the time that the Odd-lot Offer is implemented, will be eligible to participate in the Odd-lot Offer.

4.3.1.1 The Odd-lot Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of the national securities exchanges of a Restricted Jurisdiction and the Odd-lot Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, neither copies of this Circular nor any related documentation are being or may be mailed or otherwise distributed or sent in or into or from a Restricted Jurisdiction, and if received in any Restricted Jurisdiction, this Circular should be treated as being received for information purposes only.

4.3.1.2 The information contained herein does not constitute a distribution, an offer to sell or the solicitation of an offer to buy any SEI1 securities in any jurisdiction in which such distribution or offer is not authorised.

4.3.2 The Cash Consideration to be paid for each Share pursuant to the Odd-lot Offer will be the Offer Price; however Shareholders should note that this is subject to the tax treatment of the Cash Consideration as set out in Annexure 1.

4.3.3 The Shares repurchased in terms of the Odd-lot Offer will be cancelled and re-instated as authorised but unissued Shares.

4.4 Mechanism of the Odd-lot Offer

4.4.1 The General Meeting of SEI1 Shareholders

For SEI1 to implement the Odd-lot Offer, the Directors are seeking approval from SEI1 Shareholders to implement the Odd- lot Offer, in terms of the Resolutions proposed in the Notice of General Meeting attached to this Circular.

All SEI1 Shareholders are entitled to electronically participate in (or be represented at) the General Meeting and to vote in person or by proxy on the Resolutions required to implement the Odd-lot Offer.

4.4.2 The Odd-lot Offer for Odd-lot Holders

Following the General Meeting, and provided the Shareholders approve the Resolutions required to implement the Odd-lot Offer, SEI1 will proceed with implementing the Odd-lot Offer.

In terms of the Odd-lot Offer, Odd-lot Holders will be able to:

- have their Odd-lot Holdings acquired by SEI1 at the Offer Price if they decide to sell their Odd-lot Holdings; or
- retain their Odd-lot Holdings if they decide to retain their Odd-lot Holdings.

Odd-lot Holders who wish to retain their SEI1 Shares must specifically elect to do so. Odd-lot Holders who do not make an election will automatically be regarded as having accepted the Odd-lot Offer and shall be deemed to have agreed to dispose of their Odd-lot Holding to SEI1 and receive the Cash Consideration.

The Odd-lot Offer is expected to be open for acceptance from 09:00 on 20 November 2021 and will close at 11:00 on 25 November 2021. All Shareholders who hold a total of less than 1000 Shares at 19 November 2021 will be entitled to participate in the Odd-lot Offer. The procedure on how such Shareholders must make their choice (election and surrender procedure) is set out in paragraph 4.5 below.

The Shares of those Odd-lot Holders who do not make an election or who decide to sell their Odd-lot Holdings for the Cash Consideration will be repurchased by SEI1 at the Offer Price. Any such repurchase will be regarded as an acquisition of Shares in terms of the Companies Act.

Odd-lot Holders who do not make an election should note that they shall be deemed to have agreed to dispose of their Shares to SEI1 in terms of the MoI and receive the Cash Consideration. In such circumstances, the Odd-lot Holdings will automatically be repurchased by SEI1, without any further action on their part and without any further notice to Odd-lot Holders.

4.5 Election and surrender procedure for Odd-lot Holders following the General Meeting

4.5.1 Odd-lot Holders may decide to either:

4.5.1.1 sell their Odd-lot Holdings to SEI1 at the Offer Price; or

4.5.1.2 retain their Odd-lot Holdings. If Shareholders want to retain their Odd-lot Holding they have to make this election.

Those Odd-lot Holders who do not make an election will automatically be regarded as having accepted the Odd-lot Offer and shall be deemed to have agreed to dispose of their Odd-lot Holdings to SEI1 and receive the Cash Consideration.

4.5.2 The election made by Odd-lot Holders is irrevocable and may not be withdrawn once made.

4.5.3 Nominee companies will be treated as a single Shareholder, but should a nominee company decide to dispose of Odd-lot Holdings on behalf of principals whose shareholdings constitute Odd-lot Holdings, it may do so by applying in writing to the Transfer Secretaries, giving details of the number of Shares involved, such application to be received by no later than 11:00 on 25 November 2021.

4.5.4 For those Odd-lot Holders who do not make an election or who elect to sell their Odd-lot Holdings for the Cash Consideration, payment will be made by electronic funds transfers into the FICA-verified Shareholder's bank account or verified cellphone wallet on or about 26 November 2021.

4.6 Transaction costs for Odd-lot Holders

4.6.1 Shareholders eligible to participate in the Odd-lot Offer will not bear any transaction costs in respect of the Odd-lot Offer.

4.6.2 Securities transfer tax, if any, will be paid by SEI1 at a rate of 0.25% calculated on the taxable amount as determined in section 5(1)(a) of the Securities Transfer Tax Act No. 25 of 2007.

4.6.3 The Odd-lot Offer may be subject to tax in the relevant jurisdiction of the Odd-lot Holder arising from the disposal of the Odd-lot Holdings by the Odd-lot Holders who make an election to sell their Odd-lot Holdings to SEI1 or who do not make an election. **Annexure 1** contains a general summary of the tax consequences for Odd-lot Holders who make an election to sell their Odd-lot Holdings to SEI1 or who do not make an election. Shareholders should, however, seek their own tax and/or other professional advisors regarding the taxation implications of the Odd-lot Offer.

4.7 Additional provisions in respect of the Odd-lot Offer

4.7.1 SEI1 will be entitled to refuse to implement the repurchase of Shares pursuant to the Odd-lot Offer in respect of any Odd-lot Holder whom SEI1 reasonably believes has only become an Odd-lot Holder to take advantage of the Odd-lot Offer, and such Odd-lot Holder will have no claim against SEI1 arising out of or in connection with such refusal.

4.7.2 The MoI provides the Directors with the necessary authority to make and implement the Odd-lot Offer.

5. IMPACT OF THE ODD-LOT OFFER ON FINANCIAL INFORMATION

5.1 Source of funds

SEI1's existing cash resources will be utilised to satisfy the Cash Consideration.

5.2 Financial impact and share capital

Based on existing SEI1 Shareholders who have Odd-lot Holdings of less than 1000 SEI1 Shares, the financial impact on SEI1 if the Odd-lot Offer is funded in full from existing cash resources will be as follows:

- assuming an Offer Price of R0.79 per Share, which is based on the Fair Market Value of an SEI1 Share, a reduction of SEI1's cash resources of R2 605 726.50; and
- a reduction of the total equity of SEI1 by R2 512 754.58.

The Odd-lot Offer is not expected to have any other significant financial impact on SEI1.

6. EXPENSES RELATING TO THE ODD-LOT OFFER

The third party expenses relating to the Odd-lot Offer are estimated at approximately R988 000 (excluding VAT) and comprise:

Nature of expense	Payable to	R'000
Legal advisors	Whipping the Cat	126
Valuation Expert	Aldwych	259
Tax opinion	Pieter van der Zwan	23
Transfer Secretaries and proxy solicitation process	Singular	448
Printing, publication and distribution	Purple Frog	39
Transaction fees	Singular	87
Securities transfer tax	South African Revenue Service	6
Total		**988**

7. JURISDICTION

7.1 All transactions arising from the provisions of this Circular shall be governed by and be subject to the laws of South Africa. The Odd-lot Offer may be affected by the laws of the relevant jurisdictions of foreign Shareholders. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them.

7.2 The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

7.3 The Odd-lot Offer does not constitute an offer in any Restricted Jurisdiction.

7.4 It is the responsibility of any person wishing to accept the Odd-lot Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any governmental or other consent that may be required or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions.

7.5 Any such Shareholder will be responsible for any issue, transfer or other taxes payable outside South Africa.

7.6 A foreign Shareholder who is in any doubt about his position, should consult an appropriate professional advisor in the relevant jurisdiction.

8. EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is, therefore, not comprehensive. If Shareholders are in any doubt as to the appropriate course of action, they are advised to consult their professional advisors.

8.1 Emigrants from the Common Monetary Area

The Cash Consideration will not be freely transferable from South Africa and will have to be dealt with in terms of the Exchange Control Regulations.

8.1.1 The Cash Consideration due to an Odd-lot Holder who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the Odd-lot Holder's Authorised Dealer in foreign exchange in South Africa (controlling the Odd-lot Holder's blocked assets in accordance with his instructions), against delivery of the relevant Documents of Title.

8.1.2 At the time of the Odd-lot Offer, the Authorised Dealer releasing the relevant Documents of Title in terms of the Odd-lot Offer must countersign the Form of Election thereby indicating that the Cash Consideration will be placed directly in its control.

8.2 All other non-residents of the Common Monetary Area

8.2.1 Odd-lot Holders who have any queries or require assistance with respect to any aspect of the Odd-lot Offer, including the instructions required to be given to an Odd-lot Holder's nominated Authorised Dealer (see paragraphs 8.2.2 and 8.2.3 below) with regards to the receipt of the Cash Consideration against delivery of the relevant Documents of Title should contact the Transfer Secretaries by emailing sei@singularservices.co.za or calling +27 (0)10 271 3902.

8.2.2 The Cash Consideration due to an 'own name' Odd-lot Holder who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the Authorised Dealer in foreign exchange in South Africa nominated by such Odd-lot Holder. It will be incumbent on the Odd-lot Holder concerned to instruct the Odd-lot Holder's nominated Authorised Dealer as to the disposal of the Cash Consideration against delivery of the relevant Documents of Title.

8.2.3 The Form of Election will make provision for the nomination required in terms of paragraph 8.2.2 above. If the information regarding the Authorised Dealer in terms of paragraph 8.2.2 above is not given, the Cash Consideration will be held in trust by SEI1 for the Odd-lot Holders concerned pending receipt of the necessary information or instruction.

9. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Company and its subsidiaries that have occurred between 30 June 2021 and 11 October 2021.

10. SHARE CAPITAL

10.1 The authorised and issued share capital of SEI1 before the implementation of the Odd-lot Offer is as follows:

	R'm
Authorised share capital	
2,000,000,000 ordinary shares of no par value	–
Issued share capital	
138 802 534 ordinary shares of no par value	113
Total share capital	**113**

10.2 The authorised and issued share capital of SEI1 after the implementation of the Odd-lot Offer is as follows, assuming that 3 180 702 Shares are repurchased by SEI1 from the Odd-lot Holders at an assumed Offer Price of R0.79 per SEI1 Share, based on the Fair Market Value of an SEI1 Share:

	R'm
Authorised share capital	
2,000,000,000 ordinary shares of no par value	–
Issued share capital	
135 621 832 ordinary shares of no par value	109
Total share capital	**109**

11. DIRECTORS AND MANAGEMENT

11.1 The full names, capacities and business address of the Directors and management of SEI1 are set out below:

Name	Capacity	Business address
Mazvita Maradzika	Managing Director	Registered Address of SEI1
Terresa Nonkululeko Sindane	Non-Executive Director (Board Chairperson)	Registered Address of SEI1
Mos Maja	Non-Executive Director	Registered Address of SEI1
Dr Sihle Sicelo Sibiya	Non-Executive Director	Registered Address of SEI1
Mokgadi Mogokare	Non-Executive Director	Registered Address of SEI1
Tiro Motlogeloa	Non-Executive Director	Registered Address of SEI1
Mariam Kekana	Non-Executive Director	Registered Address of SEI1
Mphikeleli Solomon Tsie	Non-Executive Director	Registered Address of SEI1

11.2 Abridged curriculum vitae

The abridged *curricula vitae* of the Directors and management of SEI1 are set out on the Company's website, which can be obtained from the following link https://seinvest.co.za/what-we-do.

12. DIRECTORS' INTEREST IN SEI1 SHARES

At 11 October 2021, the Directors' beneficial interests in SEI1 Shares were as follows:

Director	Direct beneficial	Indirect beneficial	Total	% of issued share capital*
Mos Maja	3 146	–	3 146	0.002
Total	**3 146**	**–**	**3 146**	**0.002**

** Based on 138 802 534 Shares in issue at 11 October 2021*

13. MAJOR SHAREHOLDERS

At 11 October 2021 and insofar as is known to SEI1, no SEI1 Shareholders are beneficially interested in 5% or more of the issued share capital of SEI1.

14. LITIGATION STATEMENT

14.1 On 5 August 2020, the CIPC issued an application against SEI1 out of the Pretoria High Court in terms of section 81(1)(f) of the Companies Act. The application is brought for the court to issue a winding up order to place SEI1 into liquidation notwithstanding that the Company is solvent.

14.2 SEI1 has engaged MSMM Incorporated to assist in opposing the matter. SEI1 remains transparent and endeavours to be materially compliant with all applicable laws. SEI has continued to engage with its shareholders and with the relevant regulatory bodies. For these reasons, SEI1 has opposed this application.

14.3 Save for the above, the Company is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous twelve months, a material effect on SEI's financial position.

15. OPINIONS, RECOMMENDATIONS AND UNDERTAKINGS

15.1 Having considered the effect of repurchasing the Shares in terms of the Odd-lot Offer, the Directors are of the opinion that:

15.1.1 the Company and the Group will be able in the ordinary course of business to pay their debts for a period of twelve months after the date of approval of this Circular;

15.1.2 the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of twelve months after the date of approval of this Circular; and

15.1.3 the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of twelve months after the date of approval of this Circular.

15.2 A resolution has been passed by the Directors authorising the repurchase in terms of the Odd-lot Offer, that the Company and its subsidiaries have passed the solvency and liquidity test in terms of section 4 and 48 of the Companies Act and that, since the test was performed, there have been no material changes to the financial position of the Group.

15.3 Based on the rationale set out in paragraph 2, the Board is of the opinion that the Odd-lot Offer is in the best interests of SEI1, and recommends that SEI1 Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

15.4 The Board is also of the opinion that the liquidity being afforded Odd-lot Holders, through an election to dispose of their SEI1 Shares to SEI1 at the Fair Market Value of an SEI1 Share, on an efficient basis, is a viable and attractive option for Odd-lot Holders. **Should Odd-lot Holders wish to retain their SEI1 Shares, they are able to do so, provided they make a specific election in accordance with the mechanics set out in this Circular.**

15.5 The Directors intend to vote in favour of the Resolutions to be proposed at the General Meeting in respect of their personal holdings in the issued share capital of SEI1.

16. GENERAL MEETING

16.1 The General Meeting will be held on 19 November 2021 at 11:00 through electronic communication, for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions to give effect to the Odd-lot Offer.

16.2 The Notice of General Meeting and a Form of Proxy for use by Shareholders who are unable to electronically participate in or vote at the General Meeting are attached to, and enclosed with, respectively, this Circular.

16.3 The Company will only be permitted to give effect to the Odd-lot Offer if the Resolutions contained in the Notice of General Meeting are supported by at least 75% of the voting rights exercised by SEI1 Shareholders in the case of the special resolution and by more than 50% of the voting rights exercised by SEI1 Shareholders in the case of the ordinary resolutions.

17. DIRECTORS' RESPONSIBILITY STATEMENT

17.1 The Directors, whose names appear on page 13 of the Circular:

- collectively and individually accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief:
  - there are no facts that have been omitted, which would make any statement false or misleading;
  - they have made all reasonable enquiries to ascertain such facts; and
  - this Circular contains all information required by law.

17.2 The contents of this Circular are not to be construed as legal, business or tax advice. Shareholders should consult their own legal advisor, financial advisor or tax advisor for advice.

18. ADVISORS' CONSENTS AND CONFLICTS OF INTEREST

18.1 The advisors, whose details are set out in the 'Corporate information and advisors' section of this Circular, have provided their written consents to act in the capacities stated and to their name being used in the Circular and have not withdrawn their consent prior to the publication of the Circular.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by Shareholders at the Registered Address of the Company or may be requested from the Transfer Secretaries by emailing sei@singularservices.co.za, from 15 October 2021 up to and including the date of the General Meeting during normal business hours:

- the Circular;
- the MoI of SEI1;
- consent letters referred to in paragraph 18 above; and
- the audited annual financial statements of SEI1 for the financial year ended 30 June 2020.

For and on behalf of Selective Empowerment Investments 1 Limited

This Circular is signed on behalf of all the Directors in terms of a round robin board resolution passed by all the Directors on or about 12 October 2021.

Khanyisile Maseko, obo ImbokodvoBethany Governance and Statutory Compliance (Pty) Ltd
Company Secretary

11 October 2021

Annexure 1: Tax consequences of the Odd-lot Offer

The following summary describes the potential tax consequences arising for Shareholders who are Odd-lot Holders in respect of the disposal of SEI1 Shares by way of a specific share repurchase in terms of the Odd-lot Offer in South Africa only.

The summary of the tax implications serves as a general guide and is not intended to constitute a complete analysis of the tax consequences. It is not intended to be, nor should it be considered to be, legal or tax advice. As each such Shareholder's personal circumstances may lead to a different tax analysis, Shareholders should seek appropriate advice in respect of their personal circumstances from their tax advisors.

SOUTH AFRICAN TAXATION

The South African tax consequences for Shareholders depend on whether an amendment proposed in section 4(1)(c) and 4(2) of the draft Taxation Laws Amendment Bill 2021 is enacted in its proposed form or not. If the proposed amendment is enacted, the Cash Consideration will be a dividend for the Odd-lot Holders. If the proposed amendment is not enacted or amended to allow the repurchase of Shares from the Odd-lot Holders to be made as a return of capital, the Cash Consideration will be a return of capital for the Odd-lot Holders.

A South African resident or non-South African resident whose shareholding is effectively connected to a permanent establishment of the shareholder in South Africa is subject to income tax on the disposal of shares.

If the SEI1 Shares are held on capital account, the difference between the proceeds from the disposal and the base cost of the SEI1 Shares results in a capital gain or loss for capital gains tax purposes. If the SEI1 Shares are not held on capital account, proceeds derived from the disposal of the SEI1 Shares must be included in gross income. The cost of shares held as trading stock is generally deductible in terms of sections 11(a) and 22 of the Income Tax Act.

Share repurchase consideration that is a return of capital

If the Cash Consideration reduces the 'contributed tax capital' (**"CTC"**) as defined in section 1 of the Income Tax Act attributable to the ordinary shares of SEI1 it represents a return of capital. A return of capital received upon a repurchase of shares is treated as proceeds from the disposal of the shares. Whether this amount is of a capital nature depends on the intention with which the Shareholder acquired, held and disposed of the Shares. If the Shareholder held the Shares for at least 3 years, the proceeds on disposal will be deemed to be of a capital nature in terms of section 9C of the Income Tax Act.

Share repurchase consideration that is a dividend

If the Cash Consideration does not reduce the CTC attributable to SEI1's ordinary shares it represents a dividend (as opposed to proceeds from the disposal of the Shares).

Dividends from SEI1 are exempt from normal tax for a South African resident or non-South African resident Shareholder. Dividends however attract dividends tax, which must be withheld by the company, depending on the beneficial owner of the dividend. Broadly, dividends paid by SEI1 to:

- South African resident companies are exempt from dividends tax. The beneficial owner must submit a declaration to SEI1 that it qualifies for the exemption and an undertaking to inform SEI1 if its status changes in order for SEI1 to apply the exemption.
- South African resident Shareholders that are not companies are subject to dividends tax at a rate of 20%.
- Non-South African resident Shareholders are subject to dividends tax at a rate of 20%, which may be reduced in terms of a tax treaty between South Africa and the Shareholders' country of residence. The beneficial owner must submit a declaration that it qualifies for a reduced rate and an undertaking to inform the company if its status changes to SEI1 in order for SEI1 to apply the reduced rate.

If the repurchase results in a capital loss for a Shareholder, that Shareholder must disregard the capital loss to the extent that the capital loss does not exceed the amount of dividends that were exempt from both income tax and dividends tax that the Shareholder received during the 18 months prior to or as part of the repurchase.

GENERAL

Shareholders are recommended to consult with their own professional advisors to consider the implications for them in light of their own circumstances.

Selective Empowerment Investments 1 Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/033697/06)

Notice of General Meeting

The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis*, to the Notice of General Meeting.

Notice is hereby given to Shareholders recorded in the securities register of SEI1 on 11 October 2021 that a general meeting of Shareholders will be held through electronic communication on 19 November 2021 at 11:00 to consider and, if deemed fit, pass, with or without modification, the Resolutions set out below.

	2021
Record date to receive the Notice of General Meeting	11 October
Record date to be eligible to electronically participate in and vote at the General Meeting	18 November

The quorum requirement for the Resolutions set out below is sufficient persons being present to exercise, in aggregate, at least 1% of all voting rights that are entitled to be exercised on the Resolutions, provided that at least three Shareholders of the Company are electronically participating in the General Meeting. Meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to electronically participate in the General Meeting. Forms of identification include valid identity cards or documents, driving licenses and passports.

The Company will only be permitted to give effect to the Odd-lot Offer if the Resolutions are supported by:

- at least 75% of the voting rights exercised by SEI1 Shareholders in the case of the special resolution and
- by more than 50% of the voting rights exercised by SEI1 Shareholders in the case of the ordinary resolutions.

SPECIAL RESOLUTION

1. Special Resolution 1 – Specific authority to repurchase Shares from the Odd-Lot Holders

'Resolved that, the Company be and is hereby authorised in terms of section 48 of the Companies Act and the MoI, by way of specific authority, to repurchase, at the Offer Price, the SEI1 Shares of Odd-lot Holders who elect, pursuant to the Odd-lot Offer, to sell their Odd-lot Holdings or who do not make an election to retain their Odd-lot Holdings, which SEI1 Shares will be cancelled, re-instating them to the authorised and unissued share capital of SEI1.'

In order for Special Resolution 1 to be passed the support of at least 75% of the voting rights exercised on the resolution by the SEI1 Shareholders electronically participating in or represented by proxy at the General Meeting.

Reason for and effect of Special Resolution 1

The reason for Special Resolution 1 is to obtain the required approval of the SEI1 Shareholders to grant the Company the authority in terms of section 48 of the Companies Act and the Company's MoI to repurchase from the Odd-lot Holders their Odd-lot Holdings as proposed in the Odd-lot Offer. The effect of Special Resolution 1 is that the Company will be authorised, to acquire a portion of its issued share capital in terms of the Odd-lot Offer from the Odd-lot Holders who elect to sell their Odd-lot Holdings or who do not make an election.

ORDINARY RESOLUTIONS

2. Ordinary Resolution 1 – Authority to make and implement the Odd-lot Offer, specifically the repurchase of the Odd-lot Holdings from the Odd-lot Holders who do not make an election

'Resolved that, subject to the passing of Special Resolution 1, the Board be and is hereby authorised to implement the Odd-lot Offer according to the terms and conditions of the Odd-lot Offer contained in the Circular to which this Notice of General Meeting is attached, thereby specifically allowing SEI1 to repurchase the Odd-lot Holdings of Odd-lot Holders who do not make an election in terms of the Odd-lot Offer.'

In order for Ordinary Resolution 1 to be passed the support of more than 50% of all of the voting rights exercised on the resolution by the SEI1 Shareholders electronically participating in or represented by proxy at the General Meeting, is required. There are no voting exclusions on this Ordinary Resolution 1.

Reason for and effect of Ordinary Resolution 1

The reason for Ordinary Resolution 1 is to obtain the authority of Shareholders in order for the Company to make and implement the Odd-lot Offer. The effect of Ordinary Resolution 1 is that the Company will be authorised to make and implement the Odd-lot Offer.

3. Ordinary Resolution 2 – Authority of Directors

'Resolved that, subject to the passing of Special Resolution 1 and Ordinary Resolution 1, the Directors be and are hereby authorised to do all such things and sign all such documents as may be necessary to implement the aforementioned resolutions and any such things and actions as may already have been performed are hereby ratified.'

Reason for and effect of Ordinary Resolution 2

The reason for Ordinary Resolution 2 is to obtain the authority of Shareholders in order for the Directors to implement the aforementioned resolutions. The effect of Ordinary Resolution 2 is that Directors shall be authorised to implement the aforementioned resolutions.

VOTING BY PROXY

Each person entitled to electronically participate in and vote at the General Meeting may appoint a proxy or proxies to attend, speak and vote or abstain from voting in his stead. A proxy need not be a Shareholder of the Company. Completed Forms of Proxy must be received at the office of the Transfer Secretaries, for administrative purposes to ensure an orderly arrangement of affairs on the day of the General Meeting, by no later than 11:00 on 18 November 2021.

By order of the Board

Khanyisile Maseko, obo ImbokodvoBethany Governance and Statutory Compliance (Pty) Ltd
Company Secretary

11 October 2021
Midrand

Registered Address
Selective Empowerment Investments 1 Limited
1262 Embankment Road
401 Lougardia Building
Centurion, 0157
(Private Bag X18, Northlands, 2116)

Telephone: +27 (0)12 942 0038

Transfer Secretaries
Singular Systems Proprietary Limited
25 Scott Street
Waverley
Johannesburg, 2090
(PO Box 785261, Sandton, 2146)

Telephone: +27 (0)10 271 3902

Selective Empowerment Investments 1

Selective Empowerment Investments 1 Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/033697/06)

Form of Proxy

For use by registered Shareholders and any persons who are not Shareholders, but who on the record date of 18 November 2021, are entitled to exercise any voting rights (irrespective of the form, title or nature of the securities to which those voting rights are attached) in relation to the Resolutions to be proposed at the General Meeting to be held through electronic communication on 19 November 2021 at 11:00, and at any adjournment thereof.

I/We ______________________________

of address ______________________________

being the holders of ______________ Shares in the Company appoint (see notes 1 and 4)

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

the chair of the General Meeting, as my/our proxy to act for me/us and on my/our behalf at the General Meeting that will be electronically held for the purpose of considering and, if deemed fit, passing with or without modification the Resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against such Resolutions and/or to abstain from voting in respect of the Shares registered in my/our names, in accordance with the following instructions (see note 5):

	For	Against	Abstain
Special Resolution 1 – Specific authority to repurchase Shares from the Odd-lot Holders			
Ordinary Resolution 1 – Authority to make and implement the Odd-lot Offer			
Ordinary Resolution 2 – Authority of Directors			

On a show of hands, a person entitled to vote is only entitled to one vote, irrespective of the number of the relevant SEI1 Shares he holds or represents.

On a poll a person entitled to electronically vote at the General Meeting personally or by proxy is entitled to that proportion of the total votes in the Company that the aggregate amount of the nominal value of the SEI1 Shares held or represented by him bears to the aggregate amount of the nominal value of all the SEI1 shares issued by the Company and carrying the right to vote.

Proxies may delegate their authority in terms of this proxy to another person. Unless it is revoked earlier, this proxy form will lapse and cease to be of force and effect immediately after the General Meeting of the Company to be held on 19 November 2021 at 11:00 or at any adjournment thereof.

Signed at (place) ______________ on (date) ______________ 2021

Signature ______________________________

Assisted by (where applicable) ______________________________

Please read the notes following this Form of Proxy.

Notes to Form of Proxy

Summary of the rights of a Shareholder to be represented by proxy as contained in section 58 of the Companies Act and notes to the Form of Proxy.

1. Each Shareholder entitled to electronically participate in and vote at the General Meeting is entitled to appoint one or more individuals as proxy/proxies (who need not be person(s) entitled to vote at the General Meeting) to participate in, speak and vote or abstain from voting in place of that holder at the General Meeting.

2. The proxy/proxies may delegate the authority received from the Shareholder to a further person, subject to any restriction set out in this Form of Proxy.

3. A proxy appointment must be in writing, dated and signed by the Shareholder appointing the proxy.

4. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the holder's choice in the space provided, with or without deleting 'the chair of the General Meeting'. The person whose name stands first on this Form of Proxy and who electronically participates in the General Meeting will be entitled to act as proxy to the exclusion of the persons whose names follow. Further, a Shareholder may appoint more than one proxy to exercise voting rights attached to different securities held by that Shareholder.

5. A Shareholder's instructions to the proxies have to be indicated by the insertion of the relevant number of votes exercisable by that holder in the appropriate box provided. Failure to comply with this will be deemed to authorise the chair of the General Meeting, if the chair is the authorised proxy, to electronically vote in favour of the Resolutions at the General Meeting, or the appointed proxies to electronically vote or abstain from voting at the General Meeting, without direction as they deem fit, in respect of all the Shareholder's votes exercisable thereat.

6. A Shareholder or his proxies are not obliged to vote in respect of all the Shares held by such Shareholder or represented by such proxies, but the total number of votes for or against the Resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the Shareholder or his proxies are entitled.

7. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity has to be attached to this Form of Proxy, unless previously recorded by the Transfer Secretaries or waived by the chair of the General Meeting. Examples of satisfactory identification include a valid identity card or document, a valid driving licence or a valid passport.

8. Any alterations or corrections to this Form of Proxy must be initialled by the signatories.

Selective Empowerment Investments 1 Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/033697/06)

Form of Election

The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis*, to this Form of Election.

For use by SEI1 Shareholders holding less than 1000 SEI1 Shares on 19 November 2021 (**"Odd-lot Holder"**).

If this Form of Election is returned before the Odd-lot Offer is implemented, it will be treated as a conditional surrender which is made subject to the Odd-lot Offer (details of which are set out in the Circular to which this form is attached) being implemented. In the event of the Odd-lot Offer not being implemented for any reason whatsoever the Transfer Secretaries will, within five business days of the date upon which it becomes known that the Odd-lot Offer will not be implemented, destroy such Form of Election.

All forms of election and surrender must be lodged with the Transfer Secretaries at the address set out below, so as to be received by no later than 11:00 on 25 November 2021.

Hand deliveries to:
Singular Systems Proprietary Limited
25 Scott Street
Waverley
Johannesburg, 2090

Postal deliveries to:
Singular Systems Proprietary Limited
PO Box 785261
Sandton
2146

Email submissions to:
sei@singularservices.co.za

Name	
Surname	
ID number/Company registration number	
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	
Telephone number (Work)	
Cellular number	
Postal address	
Signature of Odd-lot Holder	

PART I – To be completed by all Odd-lot Holders who return this form

Odd-lot Holders who do not complete and return this Form of Election so as to be received by no later than 11:00 on 25 November 2021 should note that their Odd-lot Holding will be repurchased without any further action on their part and without any further notice to them.

Indicate your election by means of an "X".

Option A — I would like to sell my entire Odd-lot Holding at the Offer Price.

Option B — I would like to retain my entire Odd-lot Holding. If Option A is elected, please complete Part 2.

PART 2 – To be completed if you have elected to sell your entire Odd-lot Holding

I have a bank account and would like to sell my entire Odd-lot Holding. Please pay the Cash Consideration owing to me for purchasing my Odd-lot Holding into the following bank account:

	Banking details
Account holder	
Bank name	
Account number	
Bank branch	
Branch code	

Important Note: In order to comply with FICA requirements, the Transfer Secretaries will be unable to record any changes of address or payment mandates unless a certified true copy of the undermentioned documentation is received from the relevant Odd-lot Holder: (i) a copy of an identification document (in respect of change of address and payment mandate) and (ii) a copy of a bank statement (in respect of bank mandate).

PART 3 – To be completed by Odd-lot Holders who are emigrants from or non-residents of the Common Monetary Area who wish to sell their entire Odd-lot Holding

Name of authorised dealer	
Address	
Account number	
Stamp and address of agent lodging this form (if any)	
Signature of Odd-lot Holder	

ALDWYCH
VALUATIONS

12 October 2021

ALDWYCH VALUATIONS (PROPRIETARY) LIMITED
50 Oxford Road
Parktown
Johannesburg
2193

PO Box 3094, Houghton, 2041

T +27 (0)10 599 0222
F +27 (0)86 567 4135
E mail@aldwych.co.za

Private & Confidential
The Directors
Selective Empowerment Investments 1 Limited
401 Lougardia Building
1262 Embankment Road
Centurion
0157

By Email:

Dear Sirs,

INDEPENDENT PROFESSIONAL EXPERT REPORT TO SELECTIVE EMPOWERMENT INVESTMENTS 1 LIMITED REGARDING THE REPURCHASE OF MINORITY HOLDERS ORDINARY SHARES IN TERMS OF SECTION 114 OF THE COMPANIES ACT

1. Introduction

1.1 In terms of the circular published by Selective Empowerment Investments 1 Limited (**"SEI" or the "Company"**), an odd-lot offer has been proposed by SEI to purchase shares at R0.79 per share from the holders of SEI ordinary shares (**"Shareholders"**) who hold less than 1000 Ordinary Shares (**"Minority Shareholders"**). This offer of R0.79 being deemed by SEI to be the Fair Market Value of an SEI Share on or about 15 October 2021 (**"Odd-lot Offer"**).

1.2 As at the Odd-Lot Offer date, a total of 3,180,702 ordinary shares of the 138,802,534 issued shares in SEI comprise the Odd-Lot Offer The Board has proposed the implementation of the Odd-Lot Offer to facilitate the reduction of SEI Minority Shareholders in an equitable manner.

1.3 The proposed Odd-lot Offer does not constitute a scheme of arrangements in terms of Section 114 of the Companies Act, No.71 of 2008 (**"Companies Act"**). The Board however has retained an independent valuation expert to compile a report, as if S114 was applicable, on the Odd-Lot Offer in terms of Section 114, due to the lack of liquidity in the SEI shares, and as a manner in which to engage with Shareholders around the transaction.

1.4 SEI is empowered to make an Odd-Lot Offer under clause 17 of its Memorandum of Incorporation (**"MOI"**).

1.5 As at the date determined for the Odd-Lot Offer, the authorised and issued ordinary share capital of SEI is as follows:

Share Capital	**Number of Shares**	**Number of Shareholders**
Total Issued Ordinary Shares	138 802 534	26 333
Shareholder's holding less than 1 000 shares	3 180 702	8 675

2. Responsibility

Compliance with the Companies Act is the responsibility of the Directors. Aldwych Valuations (Pty) Ltd (**"Aldwych"**) responsibility is to report on the Repurchase in the manner required in terms of section 114(3) of the Companies Act, to the extent applicable.

3. Source of Information

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

3.1.1 The terms and conditions of the Odd-Lot Offer as set out in the circular, disseminated to Shareholders on the 15 October 2021.

3.1.2 Indicate Management Valuation of SEI as of 30 June 2021 which details management prepared valuation and the rationale of SEI's proposed offer price of R0.79 for the Odd-Lot Offer.

3.1.3 Audited consolidated Group Financial Statements for the years ended 30 June 2020 and 30 June 2019, inclusive of 30 June 2018 comparatives, of SEI.

3.1.4 Unaudited draft Group Financial Statements for the year ended 30 June 2021 of SEI.

3.1.5 The Following documentation relating to listed investments held by SEI:

3.1.5.1 Monthly Reporting Broker Packs compiled by Ensemble Capital for the period 1 February 2021 to 30 June 2021 detailing the Portfolio Valuation composition of interests held within listed securities, preference shares and Bonds held by SEI;

3.1.5.2 Monthly Reporting Broker Packs compiled by Umthombo Wealth for the period 1 July 2020 to 31 January 2021 detailing the Portfolio Valuation composition of interests held within listed securities, preference shares and Bonds held by SEI;

3.1.5.3 Statement of Account as at 30 June 2021 and copy of share certificate relating to SEI's underlying investment in MTN Zakhele Futhi (Rf) Limited; and

3.1.5.4 Signed Nedbank Statement Confirmation of shareholding by SEI in MTN Zakhele Futhi (Rf) Limited.

3.1.6 The Following documentation relating to unlisted investments held by SEI:

3.1.6.1 Singular Systems Shareholders Statement as at 30 June 2021 relating to SEI's underlying investment in Phuthuma Nathi;

3.1.6.2 Copy of the executed Board Resolution of SEI relating to SEI's underlying investment in Sasol Khanyisa signed 18 November 2020; and

3.1.6.3 JSE Shareholder Statement as at 8 September 2021 relating to SEI's underlying investment in Sasol BEE Ordinary shares and Sasol Khanyisa shares.

3.1.7 Written email correspondence from Asset Managers Ensemble Capital relating to the preference shareholding held by SEI in Zambesi Platinum (Rf) Limited.

3.1.8 Bank Statements as at 30 June 2021 for the following Bank Accounts:

3.1.8.1 SEI ABSA Cheque Account with account number 4071194442;

3.1.8.2 SEI ABSA Call Account with the account number 9227151471;

3.1.8.3 SEI ABSA Cheque Account with the account number 4087026738;

3.1.8.4 Investec Call Deposit Account with the account number 1100473715500;

3.1.8.5 Credit Card Account for Mr. M Maja with the account number 4570230063753010;

3.1.8.6 Credit Card Account for Mrs. M Maradzika with the account number 4570230068813010; and

3.1.8.7 Credit Card Control Account with the account number 4570230062382010.

3.1.9 Management prepared Deferred Tax Calculation as at 30 June 2021.

3.1.10 SARS Income Tax Statement of Account for the period ended 30 June 2021.

3.1.11 Executed loan agreement between SEI and Rufaro Tomufaadzanei Nyamuda signed 19 July 2020 relating to advance provided to Nakiso Medical Suppliers (Pty) Ltd.

3.1.12 Suppliers Statement from Lougardia (Pty) Ltd relating to a deposit made by SEI.

3.1.13 SARS Income Tax Statement of Account for the period ended 30 June 2021.

3.1.14 Management prepared Fixed Asset Registered as at 30 June 2021.

3.1.15 Loan amortization schedule and signed loan agreement between SEI and Selective Empowerment Investments 2 Ltd relating to loan payable by SEI.

3.1.16 The following financial information as at 30 September 2021, which was used to assess the movement in value of SEI since valuation date:

3.1.16.1 Monthly Reporting Broker Packs compiled by Ensemble Capital for the period 1 September 2021 to 30 September 2021 detailing the Portfolio Valuation composition of interests held within listed securities and Bonds held by SEI;

3.1.16.2 BEE Share Summary for September 2021 detailing the Valuation Composition of interests held within semi-listed securities;

3.1.16.3 Extracts of Balance Sheet as at 30 September 2021 and Income Statement for the period ended 30 September 2021; and

3.1.16.4 Management Accounts for the period ended 30 September 2021.

3.1.17 The following Statutory and Governance documentation:

3.1.17.1 Current SEI MOI;

3.1.17.2 Signed declarations of interest disclosed by the Directors of SEI during the course of 2021;

3.1.17.3 SEI share register of 16 August 2021, being the most current register received;

3.1.17.4 SGM and Odd-Lot Offer Strategy; and

3.1.17.5 Minutes of shareholders meeting 26 March 2021.

3.1.17.6 Management prepared letter of Solvency and Liquidity executed for the period 30 June 2021.

3.1.18 Prevailing market conditions which may affect underlying value.

3.1.19 Publicly available information relating to SEI that we deemed relevant, including Company announcements and media articles.

4. Procedures and consideration

4.1 In arriving at our opinion we have undertaken the following procedures and taken into account the following factors:

4.1.1 Reviewed the terms and conditions of the Odd-lot Offer;

4.1.2 Reviewed the financial and other information, as detailed in 3 above, relating to SEI;

4.1.3 Held discussions with the management and directors (**"Executives"**) of SEI as to the long-term strategy and the rationale for the Transaction and considered such other matters as we considered necessary;

4.1.4 Discussions with the Executives of SEI and their auditors Mkiva Registered Auditors & Business Advisors regarding:

4.1.4.1 Recoverability of intercompany loan receivable balances.

4.1.5 Assessed the reasonableness of Executives of SEI's Net Asset Value (**"NAV"**) to determine the reasonableness thereof;

4.1.6 We assessed the market value of SEI on a going concern basis, primarily utilising the Net Asset Value valuation methodology. The NAV methodology was based on the book value of assets and liabilities held by the entity, and accordingly, assesses the present value of a business. We believe that the NAV approach is an appropriate valuation methodology in line with the nature and operations of the business;

4.1.7 Conducted an assessment on 30 September 2021 of the market value of SEI's underlying investments and overall NAV, in comparison to 30 June 2021, in order to ensure that there was no material movement in the assessed value of SEI in the months following the valuation.

4.1.8 Performed comparable trading and transaction multiples based valuations based on the maintainable earnings approach (otherwise known as the "market approach");

4.1.9 Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the industry in which SEI operates generally;

4.1.10 Reviewed publicly available information pertaining to SEI that we deemed to be relevant; including Company announcements and media articles, including available analyst coverage; and

4.1.11 Held discussions with the Executives and their advisors as to their strategy and the rationale for the Repurchase and assessed prevailing economic and market conditions and trends.

5. Assumptions

5.1 We arrived at our opinions based on the following assumptions:

5.1.1 SEI1 is, at the date of this opinion, is not engaged in any advanced discussions relating to any acquisitions or transactions or corporate activity that will have a significant impact on its value;

5.1.2 There are no undisclosed contingencies or liabilities that could affect the value of SEI;

5.1.3 That all agreements that are to be entered into in terms of the Repurchase will be legally enforceable against the relevant parties thereto;

5.1.4 That the Repurchase will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of SEI; and

5.1.5 That reliance can be placed on all financial information of SEI that has been provided to us.

6. Appropriateness and reasonableness of underlying information and assumptions

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

6.1.1 Placing reliance on audit reports in the financial statements of SEI;

6.1.2 Placing reliance on statements provided by independent third-party pertaining to the positions of investments, deposits, bank balances, loans, tax receivable, and other financial instruments held by SEI;

6.1.3 Review of management prepared deferred tax calculations, and recalculation of the deferred tax liability position of SEI in the current financial year;

6.1.4 Conducting analytical reviews on the historical financial results, such as key ratio and trend analyses;

6.1.5 Cast and cross cast of management prepared fixed asset register;

6.1.6 Comparing and corroborating such information and assumptions with external sources of information, to the extent such information was available;

6.1.7 Placing reliance on company secretarial documents and governance documents provided to us by SEI; and

6.1.8 Determining the extent to which representations from management of SEI were confirmed by documentary evidence as well as our understanding of SEI and the economic environment in which the Company operates.

7. Limiting conditions

7.1 This opinion is provided to the board of directors of SEI (**"Board"**) in connection with and for the purposes of the Transaction. The opinion of the Independent Expert does not purport to cater to each individual shareholder's perspective, but rather that of the general body of Shareholders. Should any individual shareholder have any doubts as to what action to take, such a shareholder should consult an independent advisor.

7.2 We have relied upon and assumed the accuracy of the information provided to and obtained by us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with the directors of SEI, by reference to publicly available or independently obtained information.

7.3 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.

7.4 We confirm that the scope of our procedures and work performed were not subject to any limiting conditions except those referenced herein.

7.5 We have made the assumptions referred to herein and in paragraph 10 below, and accept that all agreements have full legal force and effect as represented to us, and are furthermore lawful and duly authorised

7.6 This opinion is provided in terms of the Companies Act. It does not constitute a recommendation to any shareholder as to how to vote at any Shareholders' meeting relating to the Transaction or on any matter relating to it. It is not to be regarded by the Board as a substitute of, or for, its authority or responsibility. The Board is at all times and in all circumstances required to make its own independent assessment of the Odd-Lot Offer and to conclude on the necessary matters in terms of its own determinations and with due regard to its own responsibilities. Therefore, this opinion 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.

7.7 Budgets, projections, and forecasts relate to future events and are based on assumptions that may not remain valid for the whole of the forecast period. Accordingly, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods.

7.8 We express no opinion as to how closely actual results will correspond to those projected or forecast by the directors of SEI. We have compared the forecast financial information to past trends and discussed the assumptions inherent therein with the directors of SEI.

7.9 Our opinion is based upon the market, regulatory, and trading conditions as they currently exist and can only be evaluated as of 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 reaffirm.

7.10 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 judgment.

8. Independence

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

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

8.3 We confirm that in terms of Regulation 90(6)(h) of the Companies Regulations we have no financial interest and no relationship with SEI or related parties. Furthermore, we confirm that our professional fees of R225,000 (ex VAT) are not contingent upon the success of the Odd-Lot Offer.

9. Section 114(3) requirements

9.1 As required in terms of section 114(3) of the Companies Act, the obligations and content of this report encompasses the following statutory considerations:

(3) The person retained in terms of subsection (2) must prepare a report to the board, and cause it to be distributed to all holders of the company's securities, concerning the proposed arrangement, which must, at a minimum-

(a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement;

(b) identify every type and class of holders of the company's securities affected by the proposed arrangement;

(c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);

(d) evaluate any material adverse effects of the proposed arrangement against-

(i) the compensation that any of those persons will receive in terms of that arrangement; and

(ii) any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the company;

(e) state any material interest of any director of the company or trustee for security holders;

[Para. (e) substituted by s. 70 of Act 3/2001]

(f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e); and

(g) include a copy of sections 115 and 164.

9.2 In terms of Section 114(3)(a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement

9.2.1 The repurchase of SEI's shares through the Odd-Lot Offer will result in the Company acquiring 3,180,702 Ordinary Shares, constituting approximately 2.3% of the issued shares in the Company, however, this equates to approximately 33.3% of the total number of Shareholders in the Company.

9.2.2 The Repurchase will be implemented at a consideration of R0.79 per ordinary share ("Consideration Price"), for Minority Shareholders holding less than 1000 ordinary shares in the Company. This constitutes a total repurchase cost of R2,512,754.58, exclusive of costs, or premium, directly related to the Repurchase.

9.2.3 The Executives of SEI have deemed the consideration to be at fair market value and thus it is not necessary to provide for a premium.

9.3 In terms of Section 114(3)(b) identify every type and class of holders of the Company's securities affected by the proposed arrangement

9.3.1 The repurchase of ordinary share capital by the Company will affect the value of all Shareholders, which can be classed as Minority Shareholders falling into the Odd-Lot Offer and all other Shareholders who will remain after the conclusion of the Odd-Lot Offer.

9.4 In terms of Section 114(3)(c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b)

9.4.1 Following the Repurchase of the Odd-Lot offer shares, Minority Shareholders holding less than 1 000 ordinary shares, who have not elected to retain their shares, will cease to be Shareholders, and will therefore have no rights to the Company.

9.4.2 The Repurchase will have no material adverse effects on the rights and interests of the remaining SEI Shareholders post the finalisation of the Odd-Lot Offer.

9.5 In terms of Section 114(3)(d) evaluate any material adverse effects of the proposed arrangement against

(i) the compensation that any of those persons will receive in terms of that arrangement; and

9.5.1 Minority Shareholders whose shares are to be repurchased under the Odd-Lot Offer will receive a market-related price for their shares, as many of these Minority Shareholders' holdings constitute nominal amounts. The Company will bear the cost of the transaction, to maximise benefits derived from the transaction. In accepting the transaction cost SEI has shielded the Minority Shareholders under the Odd-Lot Offer from any significant loss of value resulting from the sale of their shares.

9.5.2 The Shareholder of SEI remaining after the Odd-Lot Offer will realise no immediate material fluctuation in the value of their shares.

(ii) any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the Company;

9.5.3 The Repurchase has no immediate material impact on value attributable to SEI Shareholders or the value per SEI Share.

9.5.4 The Odd-Lot Offer will result in the alleviation of the administrative and cost burden placed on the Company by Minority Shareholders, relative to the value derived from those holdings by the Minority Shareholders. This will translate to significant long-term cost savings in the Company and resultant value generation for the remaining Shareholders.

9.6 In terms of Section 114(3)(e) state any material interest of any Director of the Company or Trustee for security holders

9.6.1 As at the date determined for the Odd-lot offer, the following directors hold shares in the SEI:

Director	Direct Interest	Indirect Interest	Total Number of Shares
Moses Maja	3 146	0	3 146
Tiro Motlogeloa	0	0	0
Sihle Sicelo Sibiya	0	0	0
Terresa Nonkululeko Sindane	0	0	0
Mphikeleli Solomon Tsie	0	0	0
Mokgadi Olgar Mogokare	0	0	0
Mazvita Maradzika	0	0	0
Mariam Kekana	0	0	0

9.7 In terms of Section 114(3)(f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e);

9.7.1 There will be no change in the number of SEI ordinary shares held by the aforementioned director due to the Repurchase. There will be an inherent increase in the percentage of the aforementioned director's shareholding in SEI, however, the nature of this change is not material.

9.8 In terms of Section 114(3)(g) include a copy of sections 115 and 164

9.8.1 Copies of sections 115 and 164 of the Companies Act are included as Annexure A to the Independent Expert Report.

10. Opinion

10.1 In undertaking the valuation exercise above, Aldwych has determined a valuation range of an SEI ordinary share to be between R0.65 and R0.80. In the circumstances, the offer price of R0.79 proposed by the Executives under the Odd-Lot Offer can be deemed fair and reasonable.

10.2 The Repurchase will be implemented in terms of the Odd-Lot Offer as contained in the Circular and can be considered lawful in terms of the Company's MOI.

10.3 Aldwych has not been made aware of any material adverse effects to SEI by the implementation of the Odd-Lot Offer.

10.4 Aldwych notes that the proposed mechanism through which SEI will fund the Repurchase will not have a material adverse impact on the solvency and liquidity of the Company following the Repurchase.

10.5 The resultant alleviation of the long-term financial and administrative burdens placed on the Company by the Minority Shareholders, justifies any potential immediate negative impact on value, if any, that may accrue to the remaining Shareholders.

10.6 Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm.

11. Consent

We hereby consent to the inclusion of this Independent Expert Report, in whole or in part, and references thereto in the Circular, in the form and context in which it appears.

Yours sincerely,

ALDWYCH VALUATIONS (PTY) LTD
Per: David Johnson
Director

SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

"115: Required approval for transactions contemplated in Part A

1. Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:

   (a) the disposal, amalgamation or merger, or scheme of arrangement:

      (i) has been approved in terms of this section; or

      (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

   (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:

      (i) dispose of all or the greater part of its assets or undertaking;

      (ii) amalgamate or merge with another company; or

      (iii) implement a scheme of arrangement,

   the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of 25 section 119(6).

2. A proposed transaction contemplated in subsection (1) must be approved:

   (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

   (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company, if any, if:

      (i) the holding company is a company or an external company;

      (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

      (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

   (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

3. Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:

   (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

   (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

4. For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

   (a) required to be present or actually present, in determining whether the applicable quorum requirements are satisfied; or

   (b) required to be voted in support of a resolution, or actually voted in support of the resolution. 4A. In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).

5. If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:

   (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

   (b) treat the resolution as a nullity.

6. On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
   (a) is acting in good faith;
   (b) appears prepared and able to sustain the proceedings; and
   (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
7. On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
   (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
   (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
8. The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
   (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
   (b) was present at the meeting and voted against that special resolution.
9. If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
   (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
   (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
   (c) the transfer of shares from one person to another;
   (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
   (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
   (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

"164: Dissenting shareholders appraisal rights

1. This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
2. If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
   (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
   (b) enter into a transaction contemplated in section 112, 113, or 114,

that notice must include a statement informing shareholders of their rights under this section.

3. At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
4. Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
   (a) gave the company a written notice of objection in terms of subsection (3); and
   (b) has neither:
      (i) withdrawn that notice; or
      (ii) voted in support of the resolution.
5. A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
   (a) the shareholder:
      (i) sent the company a notice of objection, subject to subsection (6); and
      (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder:

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

6. The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

7. A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

8. A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

9. A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b); the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(b) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

10. If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

11. Within five business days after the later of:

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

12. Every offer made under subsection (11):

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

13. If a shareholder accepts an offer made under subsection (12):

(a) the shareholder must either in the case of:

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

14. A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

15. On an application to the court under subsection (14):

    (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

    (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

    (c) the court:

        (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

        (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

        (iii) in its discretion may:

            (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

            (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment; may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

        (iv) must make an order requiring:

            (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

            (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

15A. At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

    (a) that shareholder must comply with the requirements of subsection 13(a); and

    (b) the company must comply with the requirements of subsection 13(b).

16. The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

17. If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:

    (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

    (b) the court may make an order that:

        (i) is just and equitable, having regard to the financial circumstances of the company; and

        (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

18. If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

19. For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

    (a) the provisions of that section; or

    (b) the application by the company of the solvency and liquidity test set out in section 4.

20. Except to the extent:

    (a) expressly provided in this section; or

    (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

Selective
Empowerment
Investments 1