



## Long4Life Limited

(previously Long4Life Proprietary Limited)

(Incorporated in South Africa)

(Registration number 2016/216015/06)

Share code on the JSE: L4L ISIN: ZAE000243119

("Long4Life" or "the Company")

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### PRE-LISTING STATEMENT

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The definitions and interpretations contained on page 9 of this Pre-Listing Statement apply to this entire document, including the cover page, except where the context indicates a contrary intention.

This Pre-Listing Statement relates to the subscription for the Total Subscription Shares, being an aggregate of 405 000 000 Shares (i) by the Promotor who will subscribe for the Promotor Subscription Shares, (ii) by the Anchor Investors who will to subscribe for the Anchor Investors Subscription Shares and (iii) by the Committed Investors who will subscribe for the Committed Investors Subscription Shares. The subscription by the Promotor, the Anchor Investors and the Committed Investors will raise R2 billion. There shall neither be an over-allotment of Shares in terms of the Subscriptions, nor will there be any stabilisation activity.

This Pre-Listing Statement is not and shall not constitute an offer to the public, or an invitation to, or solicitation of the public to acquire the Shares or other securities of the Company in terms of the Companies Act in South Africa or in any other jurisdiction and is being issued in compliance with the Listings Requirements for the purpose of providing information with regard to the Company.

The price at which (i) the Promotor Subscription Shares will be offered for subscription will be R4.00 per Promotor Share; (ii) the Anchor Investors Subscription Shares will be offered for subscription will be R5.00 per Anchor Investors Subscription Share; and (iii) the Committed Investors Subscription Shares will be offered for subscription will be R5.00 per Committed Investors Subscription Share.

The Total Subscription Shares will be delivered in dematerialised form only and, accordingly, no documents of title will be issued to the Promotor, the Anchor Investors or the Committed Investors. No fractions of Shares will be issued.

The Total Subscription Shares subscribed for pursuant to the Subscriptions will rank, *pari passu*, in all respects.

Subject to certain conditions (including the JSE's minimum free float requirement, as set out in the Listings Requirements, being attained), a primary listing of all of the Company's issued Shares has been granted by the JSE ("Listing") in the "Financial Services – Specialty Finance" sector on the Main Board of the exchange operated by the JSE under the abbreviated name "Long4Life", JSE code "L4L" and ISIN: ZAE000243119 with effect from the commencement of trade on Friday, 7 April 2017.

The Listings Requirements provide that a minimum of 20% of the Shares must be held by the public (as defined in the Listings Requirements) in order to ensure reasonable liquidity. The Company will list as an investment entity in terms of section 15 of the Listings Requirements.

On the Listing Date, the share capital of the Company will comprise one class of ordinary no par value shares, of which (following the Subscriptions) there shall be 405 000 100 Shares in issue. At Listing, there will be no other class of shares in the share capital of the Company. The authorised share capital of the Company will comprise 4 000 000 000 Shares.

The Company's expected issued share capital on the Listing Date is set out in Part D: (Share Capital and Shareholding). None of the Shares will be held in treasury on the Listing Date.

The Directors, whose names are given on page 12 of this Pre-Listing Statement, collectively and individually accept full responsibility for the accuracy of the information contained herein and 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, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-Listing Statement contains all information required by the Listings Requirements.

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**Joint financial advisers, joint bookrunners and joint transaction sponsors**



**Auditor and independent  
reporting accountants**

**Deloitte.**

**Issuer's Legal adviser**



*Out of the Ordinary®*



**Joint Bookrunners' Legal adviser**

**WEBBER WENTZEL**  
in alliance with > **Linklaters**

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**Date of issue:** 31 March 2017

This Pre-Listing Statement is only available in English. Copies of this Pre-Listing Statement may be obtained during normal business hours from the registered office of the Company and the offices of the Joint Transaction Sponsors at their respective addresses set out in the "Corporate Information" section of this Pre-Listing Statement as well as on the Company's website at [www.long4life.co.za](http://www.long4life.co.za), from the date of issue hereof until Friday, 7 April 2017.

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## CORPORATE INFORMATION

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### Registered address

c/o TMF Corporate Services (South Africa)  
Proprietary Limited  
3rd Floor, 200 on Main  
Corner Main and Bowwood Roads  
Claremont  
7708  
(Postnet Suite 294, Private Bag X1005  
Claremont, 7735)

### Joint financial adviser, joint bookrunner and joint transaction sponsor

The Standard Bank of South Africa Limited  
(Registration number 1962/000738/06)  
30 Baker Street  
Rosebank  
Johannesburg  
2196  
(PO Box 61344, Marshalltown, 2107)

### JSE sponsor

The Standard Bank of South Africa Limited  
(Registration number 1962/000738/06)  
30 Baker Street  
Rosebank  
Johannesburg  
2196  
(PO Box 61344, Marshalltown, 2107)

### Joint Bookrunners' Legal Adviser

Webber Wentzel  
90 Rivonia Road  
Sandton  
Johannesburg, 2196  
(PO Box 61771, Marshalltown, 2107)

**Date of incorporation:** 2 June 2016

**Place of incorporation:** South Africa

### Company secretary

TMF Corporate Services (South Africa) Proprietary  
Limited (represented by Joanne Matisonn)  
3rd Floor, 200 on Main  
Corner Main and Bowwood Roads  
Claremont  
7708  
(Postnet Suite 294, Private Bag X1005  
Claremont, 7735)

### Joint financial adviser, joint bookrunner and joint transaction sponsor

Investec Bank Limited  
(Registration number 1969/0047631/06)  
100 Grayston Drive  
Sandton  
2196  
(PO Box 785700, Sandton, 2146)

### Issuer's Legal Adviser

Edward Nathan Sonnenbergs Inc.  
150 West Street  
Sandown  
Sandton  
Johannesburg  
2196  
(PO Box 783347, Sandown, 2146)

### Auditors and Independent Reporting Accountants

Deloitte & Touche  
(Practice number 902276)  
Deloitte Place, The Woodlands, 20 Woodlands Drive  
Woodmead  
Sandton  
2193  
(Private Bag X6, Gallo Manor, 2052)

### Transfer secretaries

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

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## **IMPORTANT INFORMATION**

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### **SPECIAL NOTE**

This Pre-Listing Statement does not constitute an offer or invitation to the public or any person for the sale of or subscription for, or an advertisement or the solicitation of an offer to buy and/or subscribe for, securities (as defined in the Companies Act) of the Company or otherwise and will not be distributed to any person in South Africa in any manner which could be construed as an offer or invitation to the public in terms of the Companies Act. Furthermore, this Pre-Listing Statement does not constitute an advertisement or a prospectus registered and/or issued under the Companies Act.

The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted or prohibited by law. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer or an invitation or solicitation of an offer to subscribe for securities outside of South Africa and in any jurisdiction in which such an offer or invitation would be unlawful.

Investors should not treat the contents of this Pre-Listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of their subscribing, acquiring, holding or disposing of Shares at any point in time. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or disposal of Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or disposal of Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the subscription, purchase, holding, transfer or disposal of Shares. Investors must rely upon their own representatives, including their own legal advisers and accountants, and not those of the Company, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The information contained in this Pre-Listing Statement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002 and should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Shares is appropriate to the particular investment objective, financial situation or need of a prospective investor.

In respect of the Subscriptions, neither the Joint Bookrunners nor any of their directors, officers, employees, advisers or agents accept any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this Pre-Listing Statement (or whether any information has been omitted from the Pre-Listing Statement) or any other information relating to the Company or for any loss howsoever arising from any use of the Pre-Listing Statement or its contents or otherwise arising in connection therewith.

The Joint Bookrunners are acting exclusively for the Company and no-one else in connection with the Subscriptions and/or the Listing. They will not regard any other person as their client in relation to the Subscriptions and/or the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Subscriptions and/or the Listing, the contents of this Pre-Listing Statement or any transaction, arrangement or other matter referred to herein.

### **FORWARD-LOOKING STATEMENT**

This Pre-Listing Statement includes statements about the Company that are, or may be deemed to be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “targets”, “believe”, “aim”, “expect”, “project”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates and public sector spend and resource allocation.

By their nature, forward-looking statements involve known and unknown uncertainties, assumptions and other important factors, because they relate to events and depend on circumstances that may or may not occur in the future, whether or not outside of the control of the Company. Such factors may cause the Company's actual results, financial and operating conditions, liquidity and the developments within the industry in which the Company operates to differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-Listing Statement. The Company cautions that forward-looking statements are not guarantees of future performance.

All these forward-looking statements are based on estimates and assumptions made by the Company, all of which estimates and assumptions, although the Company believes them to be reasonable, are inherently uncertain. Accordingly, no assurance can be given that any such forward-looking statements will prove to have been correct. Any forward-looking statement made in this Pre-Listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. The Company has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Pre-Listing Statement after the date of this Pre-Listing Statement, except as may be required by law or regulation.

The information contained in this Pre-Listing Statement identifies additional factors that could affect the operating results and performance of the Company and its group of companies. The forward-looking statements contained in this Pre-Listing Statement are expressly qualified in their entirety by this cautionary statement and by the risk factors described in this Pre-Listing Statement under the heading "Risk Factors".

#### **DATE OF INFORMATION PROVIDED**

Unless the context clearly indicates otherwise, all information provided in this Pre-Listing Statement is provided as at the Last Practicable Date.

#### **CURRENCIES**

All references in this document to "Rand", "R", "ZAR" or "cents" are references to the lawful currency of South Africa.

#### **TIMES**

All references in this Pre-Listing Statement to times are to South African Standard Time.

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## SALIENT FEATURES

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The information set out in this section contains most of the important features of this Pre-Listing Statement, which should be read in its entirety for a full appreciation thereof. The definitions and interpretations commencing on page 9 of this Pre-Listing Statement apply, *mutatis mutandis*, to the salient features presented below.

### 1. INTRODUCTION

The Company is an investment entity incorporated and registered as a public company in accordance with the company laws of South Africa. The Company was incorporated as a private company on 2 June 2016 and was converted to a public company on 22 March 2017.

It is designed to offer prospective investors medium to long-term capital appreciation by investing, directly and indirectly, in a diversified portfolio of equity interests.

### 2. OVERVIEW OF LONG4LIFE

#### 2.1 Introduction

2.1.1 Long4Life is an investment holding company that will seek to pursue investments predominantly with a “lifestyle” focus. Investments will be targeted initially in South Africa, with global ambitions over time. It is intended that the Company will hold either majority or significant minority interests in its portfolio companies.

In terms of section 15 of the JSE Listings Requirements, the Company will be deemed an investment entity, being a company whose principal activity is the investment in securities, including investments in private entities.

2.1.2 The Company is led by an experienced Board with a successful track record investing in and/or managing successful businesses across a variety of industries.

#### 2.2 Investment focus

2.2.1 Long4Life’s primary focus will be on acquiring equity interests in businesses which meet one or more of the following characteristics:

- a proven track record;
- strong cash flow generation;
- market leading brands;
- capital light businesses;
- businesses with attractive growth prospects;
- businesses with the opportunity to consolidate their respective markets;
- established market position; and
- experienced and entrepreneurial management.

Consideration will also be given to opportunities relating to underperforming businesses.

2.2.2 The Company will seek to generate superior returns for its shareholders over the medium to long-term. The Board, who collectively have a wealth of operational and deal-making experience across various industries, will be responsible for capital allocation and will play an active role in identifying and executing attractive investment opportunities.

2.2.3 Long4Life aims to operate a decentralised management structure, providing financial, strategic and management support to its investee companies. The Company’s intention is to take a long-term view on investments, whilst retaining the flexibility to dispose of investments that no longer meet its investment criteria and the agility to take advantage of opportunities as they arise.



### 3. **PURPOSE OF THE LISTING**

The main purpose of the Listing is to:

- 3.1 raise cash to enable Long4Life to implement its Investment Strategy;
- 3.2 mitigate some of the constraints of the traditional private equity fund model, such as a high minimum initial investment size, extended lock-up periods with low levels of liquidity, as well as pressure to dispose of investments as the fund expiry date approaches. Being a listed entity, Long4Life will enjoy the benefits of a more permanent form, and access to further capital, allowing greater flexibility in the investment holding period; and
- 3.3 provide public-market investors with an opportunity to invest in a more liquid instrument that aims to have exposure to a quality, diversified pool of unlisted and listed assets, managed at low cost, by an experienced and invested team.

### 4. **RISK FACTORS**

Annexure 3 of this Pre-Listing Statement entitled “Risk Factors” describes certain risk factors that should be considered together with the other information in this Pre-Listing Statement. Although information has been provided in this Pre-Listing Statement in relation to the Listing, a prospective investor should use his or her own judgement and if necessary seek advice from an independent financial adviser if considering acquiring Shares following the Listing.

### 5. **ADDITIONAL COPIES OF THIS PRE-LISTING STATEMENT**

Additional copies of this Pre-Listing Statement may be obtained during normal business hours from the registered office of the Company and the offices of the Joint Transaction Sponsors at their respective addresses set out in “Corporate Information” from the date of issue of this Pre-Listing Statement until Friday, 7 April 2017.

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## SALIENT DATES AND TIMES

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The definitions and interpretations commencing on page 9 of the Pre-Listing Statement, where appropriate, have been used in the table below:

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**2017**

Abridged Pre-Listing Statement released on SENS	Friday, 31 March
Abridged Pre-Listing Statement published in the press	Monday, 3 April
Listing of Long4Life on the JSE from commencement of trade	Friday, 7 April
Accounts at CSDP or broker updated and debited	Friday, 7 April

**Notes:**

1. The above dates and times are South African dates and times and are subject to amendment. Any such amendment will be released on SENS.
2. Investors may only receive Shares in dematerialised form and must advise their CSDP or broker of their acceptance of Shares pursuant to the Subscriptions in the manner and cut-off time stipulated by their CSDP or broker.
3. CSDPs effect payment on a delivery-versus-payment basis.

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## DEFINITIONS AND INTERPRETATIONS

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In this Pre-Listing Statement and in the annexures hereto, unless otherwise stated or the context clearly indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders and references to a person include references to an entity and *vice versa*:

<b>“Anchor Investors”</b>	Investec and Stanlib Asset Management Limited, collectively or individually, depending on the context;
<b>“Anchor Investors Subscription Shares”</b>	an aggregate of 100 000 000 Shares to be subscribed for by the Anchor Investors at the Subscription Price in terms of the Anchor Investors Subscription Agreements;
<b>“Anchor Investors Subscription Agreements”</b>	the written subscription agreements entered into between the Company and each of the Anchor Investors in terms of which the Anchor Investors will subscribe for the Anchor Investors Subscription Shares at the Subscription Price, on the terms and conditions contained therein;
<b>“Board” or “Directors”</b>	the board of directors of the Company from time to time;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or official public holiday in South Africa;
<b>“Committed Investors”</b>	those persons or entities who are parties to the Committed Investors Subscription Agreements and who have agreed to subscribe for the Committed Investors Subscription Shares of varying magnitude on or prior to Listing Date, being persons or entities that either (a) fall within one of the specified categories listed in section 96(1)(a) of the Companies Act or (b) to whom an offer of subscription was specifically addressed and which was only capable of acceptance by them, to acquire Shares (acting as principal) for a total acquisition cost of R1 000 000 or more, as contemplated in section 96(1)(b) of the Companies Act;
<b>“Committed Investors Subscription Shares”</b>	an aggregate of 280 000 000 Shares to be subscribed for by the Committed Investors in terms of the Committed Investors Subscription Agreements;
<b>“Committed Investors Subscription Agreements”</b>	the written subscription agreements entered into between the Company and each of the Committed Investors in terms of which the Committed Investors will subscribe for the Committed Investors Subscription Shares at the Subscription Price, on the terms and conditions contained therein;
<b>“Companies Act”</b>	the Companies Act, No. 71 of 2008, including the Companies Regulations 2011;
<b>“Company” or “Long4Life”</b>	Long4Life Limited (previously Long4Life Proprietary Limited), registration number 2016/216015/06, a public company duly incorporated under the laws of South Africa and registered with the Companies Intellectual and Property Commission;
<b>“CSDP”</b>	a Central Securities Depository Participant, as defined in the Financial Markets Act, appointed by a Shareholder for purposes of, and in regard to, dematerialisation of shares evidenced by physical documents of title into the Strate system;
<b>“Dematerialised Shares”</b>	Shares that have been dematerialised, the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares for the purpose of Strate, being “uncertificated securities” as defined in section 1 of the Financial Markets Act;

<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations, 1961 as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice R.445 of 8 June 2012, in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933, as amended;
<b>“Financial Markets Act”</b>	the South African Financial Markets Act, 19 of 2012, as amended;
<b>“Group”</b>	Long4Life and its subsidiaries;
<b>“Investec”</b>	Investec Bank Limited, a public company incorporated under the laws of South Africa with registration number 1969/004763/06;
<b>“Investment Committee”</b>	the Investment Committee to be constituted by the Board, which will be mandated to assess and make proposals to the Board regarding acquisitions and disposals in accordance with the Investment Strategy;
<b>“Investment Strategy”</b>	the Company’s investment strategy in accordance with paragraph 15.7 of the Listings Requirements, as set out in paragraph 2 of the Pre-Listing Statement and as approved by the Board on Tuesday, 28 March 2017;
<b>“Investors”</b>	collectively, the Anchor Investors and the Committed Investors;
<b>“JDL Holdings”</b>	JDL Holdings Proprietary Limited, a private company registered and incorporated in accordance with the laws of South Africa, registration number 1998/15791/07, the entire issued share capital of which is held by Brian Joffe;
<b>“Joint Bookrunners”</b>	Investec and Standard Bank;
<b>“JSE”</b>	JSE Limited, a public company incorporated under the laws of South Africa with registration number 2005/022939/06, licensed as an exchange under the Financial Markets Act;
<b>“King Code”</b>	the Code of Corporate Practices and Conduct as set out in the King IV Report on Corporate Governance for South Africa, as amended;
<b>“Last Practicable Date”</b>	the Last Practicable Date prior to the finalisation of the Pre-Listing Statement being Tuesday, 28 March 2017;
<b>“Listing”</b>	the listing of the Shares on the Main Board of the exchange operated by the JSE;
<b>“Listing Date”</b>	the date on which the Shares will commence trading on the exchange operated by the JSE, which is expected to be Friday, 7 April 2017;
<b>“Listings Requirements” or “JSE Listings Requirements”</b>	the Listings Requirements issued by the JSE under the Financial Markets Act to be observed by issuers of equity securities listed on the exchange operated by the JSE, as amended;
<b>“Long 18”</b>	Long 18 Proprietary Limited, a private company registered and incorporated in accordance with the laws of South Africa, registration number 2017/128544/07, the entire issued share capital of which is held by the Company;
<b>“Long 36”</b>	Long 36 Proprietary Limited, a private company registered and incorporated in accordance with the laws of South Africa, registration number 2017/128568/07, the entire issued share capital of which is held by the Company;
<b>“MOI”</b>	the Memorandum of Incorporation of the Company adopted on Wednesday, 22 March 2017, extracts of which are annexed as Annexure 4 hereto;
<b>“NAV”</b>	net asset value;
<b>“Non-Executive Directors”</b>	those independent non-executive Directors who are identified in Part C of the Pre-Listing Statement;

<b>“Pre-Listing Statement”</b>	all documents contained in this bound document, including the annexures hereto dated Friday, 31 March 2017;
<b>“Promotor”</b>	Brian Joffe, who is responsible for the formation of the Company, and who has undertaken to subscribe (directly and indirectly through JDL Holdings) for the Promotor Shares;
<b>“Promotor Shares”</b>	25 000 000 Shares to be issued by the Company to the Promotor on or prior to Listing Date at the Promotor Subscription Price;
<b>“Promotor Subscription Agreement”</b>	the written subscription agreement entered into between the Company on the one hand and each of Brian Joffe and JDL Holdings on the other hand in terms of which Brian Joffe will subscribe for 6 000 000 of the Promotor Shares at the Promotor Subscription Price and JDL Holdings will subscribe for 19 000 000 of the Promotor Shares at the Promotor Subscription Price;
<b>“Promotor Subscription Price”</b>	R4.00 per Promotor Share;
<b>“Rand”; “R”; “ZAR” and “cents”</b>	the lawful currency of South Africa;
<b>“SARB”</b>	the South African Reserve Bank;
<b>“SARS”</b>	the South African Revenue Service;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“Shareholder/s”</b>	the holder/s of Shares from time to time;
<b>“Shares” or “Ordinary Shares”</b>	ordinary no par value shares in the share capital of the Company;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Standard Bank”</b>	The Standard Bank of South Africa Limited, a public company incorporated under the laws of South Africa with registration number 1969/004763/06;
<b>“Strate”</b>	Strate Proprietary Limited, a private company incorporated in South Africa as an electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, with registration number 1998/022242/07;
<b>“Subscriptions”</b>	the subscriptions by (i) the Promotor for the Promotor Shares in terms of the Promotor Subscription Agreement (ii) the Anchor Investors for the Anchor Investors Subscription Shares in terms of the Anchor Investors Subscription Agreements and (iii) the Committed Investors for the Committed Investors Subscription Shares in terms of the Committed Investors Subscription Agreements;
<b>“Subscription Agreements”</b>	collectively, the Anchor Investors Subscription Agreements, the Promotor Subscription Agreement and the Committed Investors Subscription Agreements;
<b>“Subscription Price”</b>	R5.00 per Share;
<b>“Total Subscription Shares”</b>	the aggregate of the Promotor Shares, the Anchor Investors Subscription Shares and the Committed Investors Subscription Shares, being a total of 405 000 000 Shares;
<b>“VAT”</b>	value added tax levied in terms of the South African Value-Added Tax Act, 89 of 1991, as amended; and
<b>“VWAP”</b>	volume weighted average price on the JSE.



## Long4Life Limited

(previously Long4Life Proprietary Limited)

(Incorporated in South Africa)

(Registration number 2016/216015/06)

Share code on the JSE: L4L ISIN: ZAE000243119

("Long4Life" or "the Company")

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### Directors

#### Independent Non-Executives

GW Dempster (*Chairman*)

T Abdool-Samad

L Jacobs

CS Datnow

J Joffe (*Alternate Director to CS Datnow*)

#### Executive

B Joffe (*Chief Executive*)

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## PRE-LISTING STATEMENT

### PART A: INFORMATION ON THE COMPANY

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#### 1. INCORPORATION AND NATURE OF BUSINESS

##### 1.1 Incorporation and address

Long4Life was incorporated in Johannesburg, South Africa as a private company on 2 June 2016 and was converted into a public company on 22 March 2017. The registered address of the Company is set out in the Corporate Information section of this Pre-Listing Statement.

The Company is an investment holding company incorporated and registered as a public company in accordance with the company laws of South Africa.

As at the Last Practicable Date the Company had no trading history.

##### 1.2 Nature of business

Long4Life is an investment holding company that will seek to generate superior returns to its Shareholders over the medium to long term. The Company plans to invest primarily in businesses with attractive growth prospects, led by strong, entrepreneurial-minded management teams. The Board, who collectively have a wealth of operational and deal-making experience across various industries, will be responsible for capital allocation and will play an active role in identifying and approving attractive investment opportunities.

Long4Life aims to operate a decentralised management structure, providing financial, strategic and management support to its investee companies. The Company's intention is to take a long-term view on investments, while retaining the flexibility to dispose of investments which no longer meet the investment criteria and the agility to take advantage of opportunities as they arise.

The Company's Investment Strategy is set out in paragraph 2 below.

## 2. INVESTMENT STRATEGY

### 2.1 Overview

It is the Company's intention to participate in certain carefully selected investment opportunities, using the investment skills and established networks of the Promotor, Brian Joffe and its experienced Board.

The Company's investment objectives will be achieved by primarily investing in businesses where Long4Life is able to provide both capital and strategic direction.

The Company will aim to obtain exposure to a diversified pool of listed and unlisted assets.

In order to maximise the return on its unutilised cash, Long4Life aims to invest these funds in a prudent combination of bank deposits, short duration high quality bonds and suitable short-term money market instruments.

The Company's medium to long-term objective is to achieve sustained growth in its NAV per share in excess of 15% per annum.

Long4Life intends to make use of prudent levels of financial gearing in its underlying investments. The nature and extent of gearing used in each case will be determined by the cash-generation ability of the investment.

### 2.2 Investment focus

Long4Life's primary focus will be on acquiring businesses which meet one or more of the following characteristics:

- a proven track record;
- strong cash flow generation;
- market leading brands;
- capital light businesses;
- businesses with attractive growth prospects;
- businesses with the opportunity to consolidate their respective markets;
- established market position; and
- experienced and entrepreneurial management.

Consideration will also be given to opportunities relating to underperforming businesses. In evaluating investment opportunities, Long4Life will consider the scalability and growth potential of the target as well as Long4Life's ability to add value.

### 2.3 Sectors

Without being exhaustive, Long4Life expects to target investments with a "lifestyle" focus.

Industries that will not be targeted include banking (for avoidance of doubt this is the business of deposit taking), mining and resources companies.

Notwithstanding the above, there are industries in which the Directors have particular expertise, experience and networks. Long4Life aims to retain the flexibility to make use of these networks and participate in opportunistic investments as and when they arise. Such investments should still display some of the characteristics identified in paragraph 2.2 above as well as offer suitable returns over the medium to long term.

### 2.4 Geographies

Long4Life will initially seek to pursue investments in South Africa, with global ambitions over time.

### 2.5 Investment parameters

An investment opportunity could display some of the following parameters:

- investments in majority or significant minority interests;
- underperforming business opportunities;
- investments in companies where key management ideally have a meaningful interest;

- utilisation of gearing where appropriate; and
- open-ended realisation periods, although the Company's portfolio will be subject to continual review of the expected returns of the underlying businesses.

Long4Life may consider disposing of investments:

- in which the Board believes that the business no longer has realistic prospects of delivering suitable returns in the medium to long-term; or
- if the Board believes that an investment has reached maturity under Long4Life's ownership, better opportunities exist for the business under new ownership or the valuation of the business is supportive of a disposal.

## 2.6 Investment process

The Board and management team will be responsible for the investment process which will entail, *inter alia*, sourcing, negotiating, concluding and executing investment opportunities for the Company.

Final decisions regarding acquisitions and disposals will be taken by the Board, with due regard to the Company's Investment Strategy and objectives.

In seeking new investments, the Company intends to leverage the Directors' proven experience and expertise to add value to the business activities of the investee companies. In cases where the Company chooses to invest alongside an investment partner, the Directors will ensure that the chosen partner brings the necessary skills and experience to the management of each investment.

The Company's income will be derived wholly or mainly from shares or other securities and it will not conduct any material trading activity relative to the size of the Company.

The nature of the opportunities sought by the Company dictate longer term investments. Long4Life will accordingly prioritise strong and sustainable profitability, the ability to exert meaningful influence on the investee company, and long-term growth over opportunistic trading. It is not the intention of the Company to trade frequently in its investments.

## 2.7 Investment proposition

The Long4Life investment proposition is centred on:

- the Promotor's proven track record of generating superior returns for shareholders;
- the Promotor's alignment with investors through the Promotor Shares;
- providing an access point to non-replicable investments within the listed environment;
- the Promotor's deep understanding of business and wide networks which may unlock opportunities to which other investment entities and funds would not ordinarily have access;
- an entrepreneurial, nimble and innovative approach to transactions; and
- an efficient cost structure.

## 2.8 Accounting for investments in the Company Reporting Statements

The Company will report in line with IFRS and in consultation with its auditors, Deloitte & Touche, in terms of the principles to be applied going forward.

## 2.9 Shareholder approvals

### 2.9.1 No Shareholder approval

Transactions (as defined in section 9 of the Listings Requirements) concluded in accordance with the Investment Strategy will be regarded as being in the ordinary course of business.

Long4Life Shareholder approval will not be required for non-related party transactions irrespective of size, to the extent such transactions are entered into in the ordinary course of the Company's business.

In addition, it is envisaged that Shareholder approval will not be required for transactions triggered by the enforcement of provisions in agreements entered into between Long4Life and its investee shareholders where such transactions (if otherwise required to be approved



by Shareholders) are pre-approved by Shareholders upon initial acquisition of such investments or subsequently (whether implicitly or explicitly) or where the initial acquisition of the relevant investment was within the ordinary course of business (and as a result, Shareholder approval was not required therefor).

#### 2.9.2 **Shareholder approval**

Notwithstanding section 2.9.1 above, the JSE Listings Requirements for Shareholder approval will be required if any transaction is categorised as a reverse take-over in terms of paragraph 9.5(c) of the Listings Requirements.

Shareholder approval by way of ordinary resolution will be required for Category 1 transactions with non-related parties not entered into in the ordinary course of business of Long4Life.

In respect of transactions with related parties of Long4Life, Shareholder approval will be required in accordance with the thresholds and requirements for such approvals contained in section 10 of the Listings Requirements.

The investment parameters set out in paragraph 2.5 may not be changed unless an ordinary resolution is passed at a Shareholders' meeting with 50% plus 1 of the vote cast in favour of the proposed amendments.

### 2.10 **Communication of investment transactions**

All transactions concluded in accordance with the Investment Strategy will be regarded as being in the ordinary course of business unless circumstances dictate otherwise.

Communications with Shareholders will be made in accordance with the JSE Listings Requirements in respect of all related party transactions (including small related party transactions), except that to the extent pre-approval has been obtained from the Shareholders in respect of the terms of shareholder's agreements:

- no circulars will be required for any size transactions triggered by the enforcement provisions in relation thereto, unless the transaction is categorised as a reverse take-over in terms of the JSE Listings Requirements; and
- only a SENS announcement (and no press announcement) will be made in respect of any size transactions triggered by the enforcement provisions in relation thereto.

Communications with Shareholders will be made in accordance with the JSE Listings Requirements in respect of all non-related party transactions, except that:

- no circulars will be required for any size transaction as long as the requirements of Shareholder approvals are met, unless the transaction is categorised as a reverse take-over in terms of the JSE Listings Requirements; and
- while SENS announcements will be made for Category 1 and Category 2 transactions, no press announcements will be required for Category 2 transactions or in respect of any size transaction triggered by the enforcement provisions of shareholder's agreements as long as the requirements of Shareholder approvals are met.

Notwithstanding the provisions above, the information required to be disclosed for a pre-listing statement must be provided if required by the JSE Listings Requirements. All transactions will be summarised for Shareholders in the interim and final results announcements and in the integrated annual report.

## 3. **COMPANY STRUCTURE**

### 3.1 **Company structure and subsidiaries**

As at the Listing Date, the Company has two wholly-owned subsidiaries, Long 18 and Long 36. These entities will be responsible for holding investments, managing the Company's treasury function and the payment of operating expenses.

Save for the expenses relating to the Subscriptions and Listing, there are no other income, expenses, assets or liabilities in Long 18 or Long 36 as at the Listing Date.

### 3.2 **Share capital**

Details of the issued share capital of Long4Life, Shareholders holding in excess of 5% of the issued share capital immediately prior to the Listing and other ancillary information is set out in Part D of the Pre-Listing Statement.

## 4. **DIRECTORS AND KEY SERVICE PROVIDERS**

### 4.1 **Board of Directors**

Part C of the Pre-Listing Statement sets out the details of the Directors.

### 4.2 **Company secretary and other service providers**

It is anticipated that the Board will leverage off existing operations within TMF Corporate Services (South Africa) Proprietary Limited, its duly appointed company secretary, for company secretarial services.

### 4.3 **Other third-party service providers**

It is envisaged that the Company will outsource a number of functions to specialist third-party service providers in order to minimise day-to-day running costs. Such service providers may include without limitation: investor relations managers; legal counsel; accountants and auditors; administration and financial service providers; and bankers.

In this regard, the Board will engage only with reputable, local or internationally-recognised institutions with established track records for the provision of such services.

## 5. **INVESTMENT OPPORTUNITIES**

The Company is currently in discussion with the shareholders of Sorbet Holdings Proprietary Limited in relation to the acquisition of the entire issued share capital for a consideration not exceeding R130 million. Sorbet is a nationwide beauty therapy hub with over 160 stores countrywide and two stores in the United Kingdom.

It is intended that the purchase consideration will be settled partly in cash and partly in Shares at the issue price of R5.00, being the same price as the Subscription Price. Shareholders will be updated about the details of the aforementioned acquisition at the appropriate time.

In terms of investment pipeline, the Company is confident of the significant scale and scope of opportunities that exist in the market segment being targeted and, has furthermore identified a number of opportunities that appear to meet and further the Company's Investment Strategy.

The Company's investment portfolio may comprise less than 10 investments at any given time.

## 6. **THE LISTING**

The JSE has approved the Listing of all the Shares on the Listing Date in the "Financial Services – Specialty Finance" sector of the JSE under the abbreviated name "Long4Life", JSE code: "L4L" and ISIN: ZAE000243119.

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## **PART B: DETAILS OF THE SUBSCRIPTION**

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### **7. PURPOSE OF THE LISTING**

Long4Life's medium to long-term objective is to achieve superior returns per Share by investing in companies that demonstrate attributes outlined in paragraph 2.2. By listing on the JSE, Long4Life will achieve the desired outcome of:

- raising cash to enable Long4Life to implement its Investment Strategy;
- mitigating some of the constraints of the traditional private equity fund model, such as a high minimum initial investment size, extended lock-up periods with low levels of liquidity, as well as pressure to dispose of investments as the fund expiry date approaches. Being a listed entity, Long4Life will enjoy the benefits of a more permanent form of capital, allowing greater flexibility in the investment holding period; and
- providing public-market investors with an opportunity to invest in a liquid instrument that aims to have exposure to a quality, diversified pool of unlisted and listed assets, managed at low cost, by an experienced and invested team.

### **8. THE SUBSCRIPTION**

In order to raise cash to enable Long4Life to implement its Investment Strategy:

- the Promotor will subscribe for the Promotor Shares at the Promotor Subscription Price, for an aggregate consideration of R100 000 000 (one hundred million Rand);
- the Anchor Investors will subscribe for the Anchor Investors Subscription Shares at the Subscription Price, for an aggregate consideration of R500 000 000 (five hundred million Rand); and
- the Committed Investors will subscribe for the Committed Investors Subscription Shares at the Subscription Price, for an aggregate consideration of R1 400 000 000 (one billion four hundred million Rand),

in terms of the Subscription Agreements. The Subscription Agreements are subject to certain conditions precedent, details of which are specified in paragraph 9 below, failing which, Subscription Agreements shall lapse and shall not be of any force or effect and no subscriber shall have any claim whatsoever against the Company, the Joint Bookrunners or any other person as a result of the failure of any such conditions.

The Total Subscription Shares will rank, *pari passu*, with all of the other issued Shares.

The Total Subscription Shares will be issued in dematerialised form only and, accordingly, no physical Documents of Title will be issued or delivered to the Promotor, the Anchor Investors and/or the Committed Investors.

It is a term of the Anchor Investors Subscription Agreements that, in the event that the Anchor Investors intend to dispose of a certain number of their Anchor Investors Subscription Shares, they shall be obliged to first offer such Shares to the Promotor. The consideration payable for such Shares shall be determined with reference to the five-day VWAP immediately prior to the date on which the Anchor Investor provides a notice to the Promotor of its intention to dispose such Shares.

### **9. CONDITIONS PRECEDENT TO THE LISTING**

The Subscriptions and Listing are subject to the fulfilment (or waiver, where capable, by the Company in its sole discretion) of the following key conditions precedent:

- 9.1 the approval for the Listing having been granted by the JSE and not been revoked or withdrawn by the Listing Date; and
- 9.2 the Subscription Agreements having been entered into.

If the Directors in their discretion determine that it would not be advisable to proceed with the Listing, the Company shall not be obliged to proceed with the Subscriptions and the Listing but reserves the right to do so.

## 10. **SUBSCRIPTION IN SOUTH AFRICA ONLY**

This Pre-Listing Statement has been issued in connection with the Subscriptions in South Africa only and is addressed only to Committed Investors, Anchor Investors and the Promotor to whom an offer for subscription may lawfully be made. No one has taken any action that would permit an offering of Shares or other securities of the Company to any person to occur outside South Africa.

The distribution of this Pre-Listing Statement may be restricted by law in certain jurisdictions. Persons into whose possession this Pre-Listing Statement comes must inform themselves about and observe any and all such restrictions. This Pre-Listing Statement does not constitute an offer of or invitation to the public or any other person to subscribe for any Shares or other securities of the Company in South Africa or in any other jurisdiction in which an offer for subscription or the distribution of this Pre-Listing Statement would be unlawful.

The release, publication or distribution of this Pre-Listing Statement in certain 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. It is the responsibility of the non-resident Shareholder to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with this Pre-Listing Statement.

## 11. **SUBSCRIPTION PRICE**

The Anchor Investors Subscription Shares and the Committed Investors Subscription Shares will be offered for subscription at a subscription price of R5.00 per Share whereas the Promotor Shares will be offered for subscription at a subscription price of R4.00 per Share.

The respective subscription monies will be payable in full in Rand without deduction or set-off.

## 12. **TERMS, CONDITIONS AND PROCEDURES FOR THE SUBSCRIPTIONS**

### 12.1 **Representation**

Any person who has accepted the offer of the Total Subscription Shares shall be deemed to have represented to the Company and the Joint Bookrunners at that time that such person was in possession of a copy of this Pre-Listing Statement and either was a person whose ordinary business or part of whose ordinary business, is to either deal in securities, whether as principal or agent and was a person subscribing as principal for Shares at an aggregate subscription price of not less than R1 million.

### 12.2 **Issue and allocation of Ordinary Shares**

There are no conversion or redemption provisions relating to the Total Subscription Shares.

All Ordinary Shares issued pursuant to the Subscriptions will be allotted subject to the provisions of the MOI and will rank *pari passu* in all respects with the existing Ordinary Shares in issue.

### 12.3 **Dematerialisation of Total Subscription Shares**

The Total Subscription Shares will be issued or transferred to the extent applicable, to the subscribers therefor in dematerialised form only. Accordingly, all subscribers must have appointed a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive and hold the Total Subscription Shares on their behalf.

Should, at any point in time, a Shareholder require a physical share certificate for its Shares, it will have to materialise its Shares following the Listing and should contact its CSDP to do so. There are risks associated with holding shares in certificated form, including the risk of loss or tainted scrip, which is no longer covered by the JSE Guarantee Fund. All Shareholders who elect to convert their Dematerialised Shares into Certificated Shares will have to dematerialise their Certificated Shares should they wish to trade them in accordance with the rules of Strate (see paragraph 16 of this Pre-Listing Statement below).

Each subscriber's duly appointed CSDP or Broker will receive the applicable Total Subscription Shares in dematerialised form on its behalf after payment of the applicable subscription price therefor by the subscriber's CSDP, which is expected to occur by no later than Friday, 7 April 2017.

## 12.4 **Payment and delivery of Total Subscription Shares**

Each subscriber shall forward to:

12.4.1 its CSDP, all information required by its CSDP, and instruct its CSDP to pay the aggregate price for such Total Subscription Shares to the account designated by the Company. Such information and instructions must be confirmed to the subscriber's CSDP no later than 12:00 on Tuesday, 4 April 2017; and

12.4.2 Standard Bank, details of its CSDP, the name of the account holder and number of Total Subscription Shares to be acquired and such other information as is required by Standard Bank in order to effect delivery of the relevant Total Subscription Shares. Such information must be confirmed to Standard Bank no later than 12:00 on Tuesday, 4 April 2017.

By no later than 12:00 on Tuesday, 4 April 2017 each subscriber must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated Total Subscription Shares on or prior to the Listing Date, in accordance with each subscriber's agreement with its CSDP.

The subscriber's CSDP must commit in Strate to the receipt of the subscriber's allocation of Total Subscription Shares after payment by no later than 17:00 on Wednesday, 5 April 2017.

On the Listing Date, the subscriber's allocation of Total Subscription Shares will be credited to the applicant's CSDP or broker account after payment during the Strate settlement runs which occur throughout the day.

## 13. **USE OF PROCEEDS**

The cash proceeds from the Subscriptions will be used to make investments in accordance with the Investment Strategy as well as to settle the costs associated with the Subscriptions and the Listing.

## 14. **SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS**

Currency and shares are not freely transferable from South Africa to any jurisdiction outside the geographical borders of South Africa or jurisdictions outside of the Common Monetary Area. These transfers must comply with the Exchange Control Regulations. The Exchange Control Regulations also regulate the acquisition by former residents and non-residents of Total Subscription Shares.

## 15. **APPLICABLE LAW**

The Subscriptions, applications, allocations and acceptances in terms thereof will be exclusively governed by the laws of South Africa, and each of the Promotor, the Anchor Investors and the Committed Investors will be deemed, by subscribing for Shares, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Subscriptions and the Listing.

## 16. **STRATE AND TRADING OF SHARES ON THE JSE**

Shares may only be traded on the JSE in electronic form (Dematerialised Shares) and will be trading for electronic settlement via Strate immediately following the Listing.

Strate is a system of "paperless" transfer of securities. If investors have any doubt as to the mechanics of Strate they should consult their Broker, CSDP or other appropriate adviser, and they are referred to the Strate website at <http://www.strate.co.za>. The contents of this website are not incorporated by reference and do not form part of this Pre-Listing Statement and should not be relied upon for the purposes of forming an investment decision with respect to the Total Subscription Shares. Some of the principal features of Strate are as follows:

16.1 electronic records of ownership replace share certificates and physical delivery of certificates;

16.2 trades executed on the JSE must be settled within three Business Days;

16.3 all investors owning Dematerialised Shares or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements; and

16.4 unless investors owning Dematerialised Shares specifically request their CSDP to register them as an “own name” shareholder (which entails a fee), their CSDP’s or Broker’s nominee company, holding shares on their behalf, will be the registered shareholder of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP’s or Broker’s nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP’s or Broker’s nominee company) as to how it wishes to exercise the rights attaching to the Subscription Shares and/or to attend and vote at shareholders’ meetings.

#### **17. LISTING OF THE SHARES ON THE JSE**

The JSE has approved the Listing of all the Shares on the Listing Date in the “Financial Services – Specialty Finance” sector of the JSE under the abbreviated name “Long4Life”, JSE code: “L4L” and ISIN: ZAE000243119.

Securities for which Listing is sought will be fully paid up and freely transferable.

#### **18. LOCK-UP ARRANGEMENTS**

To augment the ongoing commitment to the Company, the Promotor has undertaken not to directly or indirectly dispose of any of the Promotor Shares for a period of 36 months following the Listing Date (“Lock-up Period”), provided that if the Promotor dies or ceases to be employed as the Chief Executive of the Company or in the event of a reconstruction or takeover of the Company during the Lock-up Period, the aforesaid lock-up shall cease to be binding. The Promotor is entitled to transfer his Promotor Shares to companies or trusts controlled by the Promotor, provided that such transferees agree to be bound by the lock-up.

#### **19. MINIMUM SUBSCRIPTION**

There is no minimum capital requirement to be realised in terms of the Subscriptions. The minimum subscription which must be realised by the Company is that which enables it to ensure that the Company has, once the Subscriptions are completed, such number and composition of shareholders as will enable it to meet the minimum free float and shareholder spread requirements, as prescribed by the Listings Requirements and acceptable to the JSE.

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## **PART C: DIRECTORS AND CORPORATE GOVERNANCE**

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### **20. DIRECTORS**

The following section provides a description of the Company's Directors and its corporate governance structure.

As at the date of this Pre-Listing Statement, the Board consists of four Independent Non-Executive Directors, one Alternate Independent Non-Executive Director and one Executive Director.

The Board's responsibilities entail ensuring that the day-to-day affairs of the Company are appropriately supervised and controlled, defining, amending (to the extent required) and implementing the Investment Strategy, evaluating and considering whether to make commitments and thereafter, if deemed appropriate, making commitments to any other investments to be undertaken by the Company. The Board is ultimately responsible for the Company's business, strategy and key policies, and approving the Company's financial objectives, targets and final investment decisions.

Accordingly, the Board has sufficient and satisfactory experience in the management of the types of investment in which the Company proposes to invest.

To ensure that costs are maintained at reasonable levels, the Company will only employ a limited number of permanent staff.

Appointments to the Board shall be in terms of a formal and transparent procedure. Directors will be nominated based on their calibre, credibility, knowledge, experience, impact they are expected to have, age and gender, as well as the time and attention they can devote to the role. The appointment of all Directors is subject to Shareholder approval. The Board includes experienced and senior individuals who can critically apply their minds to the business of the Company and potential investments.

## 21. DETAILS OF DIRECTORS

<b>Name, age and nationality</b>	<b>Business address</b>	<b>Occupation/ Function</b>	<b>Date of appointment</b>
<b>Executive Director</b>			
Brian Joffe South African (69)	c/o TMF Corporate Services (South Africa) Proprietary Limited 3rd Floor, 200 on Main, Corner Main and Bowwood Roads, Claremont, 7708	Chief Executive	2 June 2016
<b>Non-Executive Directors</b>			
Graham Wayne Dempster South African (61)	c/o TMF Corporate Services (South Africa) Proprietary Limited 3rd Floor, 200 on Main, Corner Main and Bowwood Roads, Claremont, 7708	Chairperson, Independent Non-Executive	22 March 2017
Tasneem Abdool-Samad South African (42)	c/o TMF Corporate Services (South Africa) Proprietary Limited 3rd Floor, 200 on Main, Corner Main and Bowwood Roads, Claremont, 7708	Independent Non-Executive	22 March 2017
Lionel Jacobs South African (73)	c/o TMF Corporate Services (South Africa) Proprietary Limited 3rd Floor, 200 on Main, Corner Main and Bowwood Roads, Claremont, 7708	Independent Non-Executive	27 March 2017
Colin Stanley Datnow South African (68)	c/o TMF Corporate Services (South Africa) Proprietary Limited 3rd Floor, 200 on Main, Corner Main and Bowwood Roads, Claremont, 7708	Independent Non-Executive	22 March 2017
Jason Paul Joffe South African (39)	c/o TMF Corporate Services (South Africa) Proprietary Limited 3rd Floor, 200 on Main, Corner Main and Bowwood Roads, Claremont, 7708	Alternate Director to Colin Stanley Datnow	22 March 2017

The Directors will retire, and be eligible for re-election, at the first annual general meeting of Shareholders.

All the Directors of the Company have submitted completed directors' declarations in compliance with Schedule 13 of the Listings Requirements to the JSE.

Details of directorships held by the Directors of the Company in other companies during the past five years are set out in Annexure 6 to this Pre-Listing Statement.

Short biographies of the Executive Director, the Independent Non-Executive Directors and Alternate Director are set out below:

### **Executive Directors**

#### **Brian Joffe CA(SA)**

Brian founded the Bidvest Group in 1988, where he served as Executive Chair until his appointment as Chief Executive in 2004. Brian stepped down from his role at Bidvest in 2016. A Chartered Accountant by qualification and historically having served on multiple company boards, Brian has over 33 years of South African and international commercial experience. He was acknowledged as one of the Sunday Times' top five businessmen in 1992 and was listed as one of the top 100 Africans of the Year in the Africa Almanac in 2001. Amongst numerous other awards received, Brian was voted the Sunday Times'



Businessman of the Year in 2007, awarded an honorary doctorate in 2008 by UNISA as well as the University of the Witwatersrand, and selected in 2010 by Wits Business School Journal as one of South Africa's top 25 business leaders, having made a significant impact on business in South Africa. Brian was further listed by Forbes Magazine as one of the 20 most powerful people in African business.

### **Independent Non-Executive Directors**

#### **Graham Wayne Dempster**

**BCom, CA(SA), Harvard Business School AMP, INSEAD AMP**

Graham has previously served as an Executive Director of the Nedbank Group and Nedbank Limited, as well as being the past Chief Operating Officer of the Nedbank Group. He has served on various committees within the Group, including the Board Group Credit sub-Committee, Chairman of the Asset and Liability Committee and the Nedbank Brand Committee. He serves as a Non-Executive Director on the board of Imperial Holdings Limited, Telkom SA SOC Limited and AECI Limited. Graham has over 35 years' experience in the banking industry, both in South Africa and internationally. Graham holds AMP from Harvard and INSEAD.

#### **Tasneem Abdool-Samad**

**BCom, CA(SA)**

Tasneem started her career at Deloitte & Touche in KwaZulu-Natal. She then moved to the University of the Witwatersrand, as a lecturer in auditing from 2003 to 2006. Tasneem subsequently rejoined Deloitte as a Partner from 2006 to 2014, and is a former member of the Deloitte South Africa board.

Tasneem currently serves as a non-executive director of Absa Bank Limited, Absa Financial Services Limited, Reunert Limited and is a non-trustee member of the audit committee of Momentum Health.

#### **Lionel Jacobs**

**BCom, MBA**

Lionel has previously served as an Executive Director of The Bidvest Group, retiring three years ago. He still serves as a non-executive director on some of the Bidvest divisions. He is currently Independent Non-Executive Chairman of Vunani Limited, chairman of its nomination and remuneration committees. He has 30 years' experience in BBBEE transactions. Currently he is also Chairman and Director of Specialised Solar Systems and Powerhouse Africa, both in the Renewable Energy and Infrastructure sectors.

#### **Colin Stanley Datnow**

**BCom**

Colin has had an active role as an entrepreneur in the distribution industry for over 40 years. Colin is the founder and former Chief Executive Officer of Brandcorp Holdings Limited which is focused on the distribution and retailing of branded consumer and industrial products to a broad spectrum of the market. Colin is also the founding member, shareholder and a Non-Executive Director of the Cosyro Group of companies. In addition, he serves as chairperson on one of South Africa's largest Public Benefit Organisations.

#### **Jason Paul Joffe**

**BCom**

Jason has been an entrepreneur in both IT and Media Advertising industries. With a strong media background and keen focus in the media industry Jason also has an interest in the Education and Property sectors.

## **22. DIRECTORS' DECLARATIONS**

Each Director has confirmed that he/she:

22.1 has not been declared bankrupt, insolvent or sequestrated or at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors in any jurisdiction;

- 22.2 has not ever been involved in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, administrations, company voluntary arrangements or any composition or arrangement with creditors generally or any class of creditors of any company where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, such events;
- 22.3 save for in the ordinary course of business, has not entered into compulsory liquidations, administration or partnerships, voluntary arrangements of any partnerships where such Directors are or were partners during the preceding 12 months;
- 22.4 save for in the ordinary course of business, has not entered into creditors' voluntary liquidations of any company where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding such events;
- 22.5 has not been involved in any compulsory liquidation, administration or voluntary arrangements of any partnership where such person is or was a partner at the time of, or within the 12 months preceding, such events;
- 22.6 has not had receivership of any of the assets of such person or of a partnership of which he or she is or was a partner at the time of, or within 12 months preceding, such events;
- 22.7 has not been the subject of public criticism by any statutory or regulatory authorities, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- 22.8 has not ever been convicted of or committed any offence involving dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement committed by such person;
- 22.9 has not ever been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities committed by such person;
- 22.10 has not ever been removed from an office of trust on the grounds of misconduct and involving dishonesty;
- 22.11 has not ever been barred from entry into any profession or occupation;
- 22.12 has not ever been convicted in any jurisdiction of any criminal offence or an offence under legislation relating to the Companies Act, and no company of which he or she was a director, alternate director or officer at the time of the offence has been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act; or
- 22.13 is not or has not been subject to any court order declaring him or her delinquent or placing him or her under probation under section 162 of the Companies Act and/or section 47 of the Corporations Act No. 69 of 1984, as amended, or disqualifying him or her to act as a director under section 219 of the Companies Act or section 69 of the Companies Act.

**23. APPOINTMENT, QUALIFICATIONS AND BORROWING POWERS OF DIRECTORS**

- 23.1 Annexure 4 of this Pre-Listing Statement contains details of the relevant provisions of the Company's MOI, regarding:
  - 23.1.1 the qualification, appointment, terms of office and remuneration of Directors;
  - 23.1.2 the borrowing powers of the Company exercisable by the Directors. The borrowing powers may be varied by an amendment to the MOI;
  - 23.1.3 powers enabling Directors to vote on a proposal, arrangement or contract in which they are materially interested and to vote remuneration to themselves or any member of the Board; and
  - 23.1.4 retirement of Directors by rotation.
- 23.2 In terms of the MOI, no Director may be appointed for life, and there is no specified age of retirement for Directors.

23.3 The Directors' borrowing powers have not been exceeded since the date of its incorporation of the Company, and there have not been any Exchange Control or other restrictions on the borrowing powers of the Company, other than restrictions generally applicable under the Exchange Control Regulations.

There are no restrictions on the Company's borrowing powers and the business of the Company shall be managed by the Board which may exercise all the powers of the Company.

## 24. REMUNERATION

24.1 For the purposes of calculating the Promotor's salary as Chief Executive, the Board has resolved that his salary in the first year will be a notional amount of R5 000 000 per annum. The notional base salary of R5 000 000 per annum will be payable through the issue of 250 000 Shares issued at the end of each quarter for a period of three years from the Listing Date.

Accordingly, 3 000 000 Shares have been placed under the control of the Directors for a period of three years from the Listing Date for purposes of issuing such Shares to the Promotor in order to settle the Company's obligations in relation to the Promotor. For the sake of clarity, the Share price of the Company at the time of the issuance of Shares will not have any impact on the number of Shares issued per quarter.

These Shares do not fall within the rules of the incentive schemes as detailed in paragraph 25 of the Pre-listing Statement.

The Remuneration and Nomination Committee will review the Promotor's notional base salary on an annual basis. Should the Remuneration and Nomination Committee deem it appropriate, any increase in Promotor's salary would be cash settled.

24.2 The fees (exclusive of VAT) in relation to Board meetings and Committee meetings will be as follows:

Chairperson – R50 000 per meeting

All non-executive Directors – R40 000 per meeting

### Committees

Audit and risk committee chairperson – R40 000 per meeting

Audit and risk committee members – R30 000 per meeting

Social and ethic committee chairperson – R25 000 per meeting

Other members – R20 000 per meeting

Remuneration and Nomination committee chairperson – R25 000 per meeting

Other members – R20 000 per meeting

Investment committee chairperson – R25 000 per meeting

Other members – R20 000 per meeting

24.3 The fees referred to in paragraphs 24.1 and 24.2 above were approved by special resolution passed by the existing Shareholders in terms of section 66(9) of the Companies Act on Tuesday, 28 March 2017.

24.4 No fees payable at the date of this Pre-Listing Statement *in lieu* of Directors' fees have accrued or been paid to any third party since the incorporation of the Company.

24.5 No remuneration will be payable to any Director as a consequence of the Subscriptions or the Listing. Furthermore, the remuneration to be paid to any Director will not be varied in consequence of the Subscriptions or the Listing.

24.6 None of the Directors have received any remuneration or benefits from: (a) any holding company of the Company; (b) any subsidiary or fellow subsidiary of the Company; (c) any associate of the Company or of any entity included in (a) or (b); (d) a joint venture of the Company or an entity included in (a) to (c); or (e) entities that provided management or advisory services to the Company or any of the entities included in (a) to (d).

24.7 No loans have been made or security furnished by the Company to or for the benefit of any Director or manager or any associate of any Director or manager of the Company.

24.8 Long 18 has entered into a services contract with Brian Joffe. The Company is also signatory thereto. This service agreement includes standard termination and other provisions for a contract of this nature.

## 25. INCENTIVE SCHEMES

Long4Life aims to implement a long-term incentive scheme for executives in order to align the Company's executives' interests with that of Shareholders. The Company will adopt a Conditional Share Plan (CSP) under which participants will be awarded a right to future delivery of equity (i.e. a conditional right to receive Shares).

The Company will also adopt a Share Appreciation Rights (SAR) plan for employees under which participants are awarded Shares based on the upward movement in the Share price over a defined period of time.

The CSP and the SAR are both designed to motivate long-term sustainable performance and would serve as a retention mechanism for executives and employees.

Vesting of awards in terms of the CSP will be subject to the achievement of performance conditions, each with different weightings. Vesting of awards will also be subject to an outperformance target, in which only outstanding performance will be rewarded with a maximum payout.

In terms of the CSP, Long4Life performance metrics will comprise the following:

	<b>Performance condition</b>	<b>Weighting</b>	<b>Performance conditions</b>
1.	Absolute Total Shareholder Return	50%	CAGR of the Share price over a three-year period
2.	Relative Total Shareholder Return against benchmark	50%	CAGR of the Share price over three-year period against the FTSE/JSE SA Industrial Index ("JSE INDI")

Once performance conditions have been met, the CSP awards will vest as follows:

- 75% of the award will vest on the 3rd anniversary of the award date
- 25% of the award will vest on the 4th anniversary of the award date

On an annual basis, the Nomination and Remuneration Committee will evaluate the CSP Scheme, performance conditions, weightings and thresholds and may make adjustments as the committee deems appropriate.

A maximum of 10% of the number of Shares (being 40 500 000 Shares) in issue at the Listing Date shall be reserved for staff incentive schemes. The maximum number of Shares that can be allocated to any single participant in the CSP and the SAR shall not exceed 4% of the number of issued Shares as at Listing Date.

The Promotor's initial allocation, in his capacity as Chief Executive, in terms of the CSP scheme will be 12 600 000 CSP awards which shall be governed by the rules of the CSP. Any further allocations to the Promotor and other executives will be decided by the Remuneration and Nominations Committee subject to the CSP and SAR scheme limits.

Refer to Annexure 7 for further details on Long4Life's Incentive Schemes.

## 26. CHIEF FINANCIAL OFFICER

The JSE has provided the Company with dispensation not to appoint a chief financial officer at the time of Listing. However, this would need to be revisited following the conclusion of the initial investment by the Company and by no later than 30 May 2017.

## 27. INTERESTS IN SECURITIES

27.1 As at the Last Practicable Date, none of the Directors, or their respective associates, held any direct or indirect beneficial interests in the Shares, other than as set out in paragraph 27.2 of the Pre-Listing Statement.

27.2 On implementation of the Subscriptions and the Listing, the following Directors will hold the following direct and indirect beneficial interests in the Shares (assuming the Subscription is fully taken up):

<b>Name</b>	<b>Direct</b>	<b>Indirect</b>	<b>Total</b>	<b>% of issued share capital</b>
B Joffe	6 000 100	19 000 000	25 000 100	6.2
GW Dempster	1 000 000	–	1 000 000	0.2
CS Datnow	–	3 600 000	3 600 000	0.9
T Abdool-Samad	–	200 000	200 000	0.05
L Jacobs	400 000	–	400 000	0.1
<b>Total</b>	<b>7 400 100</b>	<b>22 800 000</b>	<b>30 200 100</b>	<b>7.5</b>

## 28. DIRECTORS' INTERESTS IN TRANSACTIONS

Save as otherwise disclosed below, none of the Directors have had any beneficial interest, either directly or indirectly, in transactions that were effected by the Company during the current or immediately preceding financial year.

## 29. INTERESTS OF DIRECTORS AND PROMOTORS

29.1 Save as otherwise stated in this Pre-Listing Statement, no Director or Promotor has a material beneficial interest, direct or indirect, in the promotion of the Company.

29.2 No sums have been paid, or agreed to be paid to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director (association company) or to any partnership, syndicate or other association of which he is a member (associate entity), in cash, securities or otherwise, by any person, either to induce him to become, or to qualify him as a Director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of the Company.

## 30. DIRECTORS' INTEREST IN PROPERTY ACQUIRED OR TO BE ACQUIRED

No Director has had any material beneficial interest in any property acquired or proposed to be acquired by the Company out of the proceeds of the Subscriptions or otherwise in the three years preceding the Last Practicable Date and no amount has been paid during this period, or is proposed to be paid, to any Director.

## 31. SUMMARY OF EXISTING OR PROPOSED CONTRACTS RELATING TO DIRECTORS AND MANAGERIAL REMUNERATION, RESTRAINT PAYMENTS, ROYALTIES AND SECRETARIAL AND TECHNICAL FEES

31.1 Save as otherwise disclosed in this section of the Pre-Listing Statement, there are no existing or proposed contracts (whether written or oral) relating to Directors or managerial remuneration, restraint payments, royalties or secretarial and technical fees.

31.2 As at the date of the Pre-Listing Statement, there were no other contracts or arrangements in which the Directors were materially interested and which were significant in relation to the business of the Company.

## 32. CORPORATE GOVERNANCE

Annexure 5 sets out the details of the application by Long4Life of the King Code and other corporate governance principles.

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## PART D: SHARE CAPITAL AND SHAREHOLDING

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### 33. MAJOR AND CONTROLLING SHAREHOLDERS

33.1 Set out below are the names of Shareholders that, directly or indirectly, are beneficially interested in 5% or more of the issued share capital of Long4Life as at the Last Practicable Date:

Shareholder	Number of shares	Percentage of issued share capital (%)
Brian Joffe	100	100

33.2 It is not anticipated that there will be a controlling Shareholder immediately following the Subscriptions and the Listing.

### 34. SHARES ISSUED OTHER THAN FOR CASH

No Shares have been issued or agreed to be issued otherwise than for cash by the Company since incorporation.

### 35. SHARE CAPITAL

#### 35.1 Prior to the Subscription and Listing

The authorised and issued Shares of the Company immediately prior to the Subscription and the Listing is set out in the table below:

Authorised Shares	No. of Shares
Ordinary Shares	4 000 000 000
Issued Shares	No. of Shares
Ordinary Shares	100

**Note:** The total amount of the stated capital of the Company immediately prior to the Subscriptions and the Listing will be R100.

#### 35.2 After the Listing

The authorised and issued Shares of the Company immediately after the Listing will be as set out in the table below:

Authorised Shares	No. of Shares
Ordinary Shares	4 000 000 000
Issued Shares	No. of Shares*
Ordinary Shares	405 000 100

**Note:** The total amount of the stated capital of the Company immediately following the Listing will be R2 billion.

The Company does not hold any treasury shares.

**\*Note:** This is on the assumption that all of the Shares are issued pursuant to the Subscriptions.

35.3 The Board may only issue unissued Shares where Shares of that particular class are listed and/or grant options if such Shares and/or options have first been offered to existing Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares and/or options are issued for the acquisition of assets by the Company. Notwithstanding the foregoing, Shareholders may authorise the Directors to issue unissued securities and/or grant options to subscribe for unissued securities as the Directors in their discretion deem fit, provided that the corporate action(s) to which any such issue or grant of options relates has/have to the extent required been approved by the JSE.

35.4 On 28 March 2017, the current Shareholder passed a resolution authorising the Board to issue not less than 405 000 000 Shares in order to give effect to the Subscriptions through the Company's South African share register, subject to the Companies Act and the JSE Listings Requirements, and that such authority given to the Directors shall be valid for a period of 12 months from the date of the Listing, or until the Company's first annual general meeting of Shareholders.

35.5 In the event that the Board resolves that it is beneficial for Shareholders to undertake a Share repurchase, the Company has in place a general authority to repurchase Shares. This would be done in compliance with the Companies Act and the JSE Listings Requirements.

#### **36. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES**

The Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any Shares in the Company.

#### **37. ALTERATIONS TO SHARE CAPITAL**

37.1 On incorporation, the Company's authorised share capital consisted of 5 000 ordinary no par value shares.

37.2 The Company was incorporated as a shelf company and, as at the Last Practicable Date, has 100 (one hundred) issued Shares.

37.3 Save for the adoption of a new MOI which increased the authorised share capital from 5 000 to 4 000 000 000 Shares, there have been no alterations to the Company's share capital since its incorporation and, in particular, no consolidations or sub-divisions of securities of the Company has occurred since the date of its incorporation.

#### **38. PREVIOUS OFFERS**

38.1 There have been no offers for subscription or sale of any Shares or any securities made by the Company since the date of its incorporation.

38.2 There have been no issues or offers of securities of the Company since incorporation where such issues or offers were material to the Company.

#### **39. RIGHTS ATTACHING TO SHARES**

39.1 The terms attaching to the Shares as well as the mechanism for the variation of the rights attached to the Shares are contained in the MOI, the salient features of which are set out in Annexure 4.

39.2 There are no preferential conversion and/or exchange rights of any securities and variation rights.

39.3 All the Shares to be issued in terms of the Pre-Listing Statement will be of the same class and will rank *pari passu* with all other issued Shares of the Company.

#### **40. LISTING ON OTHER STOCK EXCHANGES**

Other than the listing of the Shares pursuant to the Listing, no securities of the Company are listed on any other stock exchange.

#### **41. FOUNDERS AND MANAGEMENT SHARES**

41.1 As at the Last Practicable Date, and save as set out in paragraph 27 above, there are no Shares held by founders or the Directors of the Company.

41.2 Long4Life does not own any physical property nor has it entered into any agreement to acquire any assets as at the Last Practicable Date. The Directors do not have any material interest in any acquisition or disposal of any assets.

#### **42. FRACTIONS**

No fractions of shares have been issued.

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## **PART F: ADDITIONAL MATERIAL INFORMATION**

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### **43. STATEMENTS AND REPORTS**

#### **43.1 Statement as to adequacy of capital**

The Directors are of the opinion that the working capital available to Long4Life is sufficient for the Group's present requirements (that is, for at least 12 months from the date of issue of this Pre-Listing Statement).

#### **43.2 Reports by Directors as to material changes**

The Directors report that there have been no material changes in the financial and trading position or the assets and liabilities of the Company or any company within the Group between 30 June 2016 (date of the audited financial statements) and the Last Practicable Date.

#### **43.3 Statements as to no other Listing**

The Company has not applied for a listing on any exchange other than the JSE and has accordingly never been refused a listing on any exchange nor had any such application for a listing deferred.

#### **43.4 Report by Reporting Accountants where business undertaking is to be acquired**

As at the Last Practicable Date and further to the detail of the proposed investment opportunity set out in paragraph 5 of the Pre-Listing Statement, the Company has not identified any other business undertaking which it will purchase directly or indirectly using the proceeds of the Subscriptions, or any part of such proceeds, or any other funds.

#### **43.5 Report by Reporting Accountants where Company will acquire a subsidiary**

As at the Last Practicable Date, no part of the proceeds of the Subscription, whether directly or indirectly, will be used in a manner that results in the acquisition by the Company or any company within the Company of securities of any other legal person, with the direct or indirect result that the other juristic person will become a subsidiary of the Company other than for purposes of the proposed investment opportunity as set out in paragraph 5 of the Pre-Listing Statement.

#### **43.6 Report by Reporting Accountants of Company**

The audited historical financial information of the Company for the financial year ended 30 June 2016 are presented in Annexure 1. The Independent Reporting Accountants' reports on the audited financial information is contained in Annexure 2. On 28 March 2017 the Board approved the audited financial statements for the period ended 30 June 2016.

The Independent Reporting Accountants have provided confirmation to the JSE that they have read this Pre-Listing Statement and that the content hereof is not contradictory to any of the information contained in any of their report.

#### **43.7 Dividends and distributions**

As the objective of the Company is to provide Shareholders with attractive medium- to long-term capital growth, the Board does not intend to declare regular dividends.

No dividends have been declared as at the Last Practicable Date.

No Shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

#### **43.8 Financial year end**

The Company's year end has changed from June to March. Financial results will be reported on in accordance with the timelines required by the JSE.



#### 44. **SUBSIDIARY COMPANIES**

Details of the Company's subsidiaries are set out in paragraph 3 of the Pre-Listing Statement.

#### 45. **PRINCIPAL PROPERTY OWNED OR LEASED, MATERIAL COMMITMENTS AND ADVANCES, LOANS AND BORROWINGS**

As at the Last Practicable Date:

- 45.1 the Company does not own any immovable property nor has the Company entered into any leases in respect of immovable property;
- 45.2 other than in the ordinary course of business, the Company does not have any capital commitments, financial lease payments and contingent liabilities;
- 45.3 no material loans were advanced by or to the Company (including by the issue of debentures);
- 45.4 no shareholders' loans were recorded on the Company's statement of financial position;
- 45.5 there are no loans receivable outstanding;
- 45.6 there is no loan capital outstanding;
- 45.7 there were no inter-Company loans or other financial transactions;
- 45.8 no charge or mortgage has been created over any assets of the Company; and
- 45.9 there were no outstanding convertible debt securities.

#### 46. **ACQUISITIONS AND DISPOSALS**

No material immovable properties, fixed assets, securities and/or business undertakings have been acquired or disposed of by the Company since incorporation nor are in the process of being or are proposed to be acquired or disposed of by the Company (or which the Company has an option to acquire).

#### 47. **INTEREST OF PROMOTOR**

The interest of the Promotor is set out in paragraph 27 of the Pre-Listing Statement.

#### 48. **GOVERNMENT PROTECTION**

As at the Last Practicable Date, the Company does not benefit from any government protection or investment encouragement law affecting its business.

#### 49. **MATERIAL CONTRACTS AND MATERIAL CHANGES**

- 49.1 Save for the Subscription Agreements and other contracts entered into in the ordinary course of business, no material contract has been entered into by the Company or its subsidiaries since incorporation which is or may be material, or which contains any provisions under which the Company or its subsidiaries have any obligations or entitlements which are, or may be material, as at the Last Practicable Date.
- 49.2 There have been no material changes in the business of the Company since the date of its incorporation, being 2 June 2016. There have furthermore not been any changes in controlling Shareholder(s) and trading objects of the Company and its major subsidiaries since incorporation.

#### 50. **LITIGATION STATEMENT**

No legal or arbitration proceedings have been instituted that may have, or have had in the last 12 months, a material effect on the Group's financial position nor is the Company aware of any such proceedings that are pending or threatened.

## 51. EXPENSES

### 51.1 Expenses relating to the Subscription and the Listing

The estimated expenses of the Subscriptions and the Listing which amount to approximately R18 763 000, exclusive of VAT, are set out below:

<b>Expense</b>	<b>Recipient</b>	<b>Rand ('000)</b>
Joint financial adviser, joint bookrunner and joint transaction sponsor	Standard Bank	7 000
Joint financial adviser, joint bookrunner and joint transaction sponsor	Investec	7 000
Attorneys	Edward Nathan Sonnenbergs Inc.	2 750
Independent Reporting Accountants	Deloitte	270
Transfer Secretary	Computershare	20
Printing and publication	Ince	200
JSE listing fee	JSE	391
JSE documentation fees	JSE	132
Sundry		1 000
<b>Total</b>		<b>18 763</b>

51.2 Save for the expenses detailed above, there were no commissions, discounts, brokerages or other special terms granted during the three years preceding the date of the Pre-Listing Statement in connection with the issue or sale of any securities, stock or debentures in the capital of Long4Life. No amount has been paid, or accrued as payable, since incorporation, as commission to any person, including commission so paid or payable to any sub-underwriter that is the holding company or director or officer of the Company, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities of the Company.

51.3 Since incorporation, there have been no commissions paid or payable by the Company in respect of underwriting.

### 51.4 Ongoing operating expenses

The ongoing operating expenses will be paid from the proceeds of the Subscriptions. The Company will endeavour to ensure that these ongoing annual operating expenses are managed in an efficient and cost effective manner.

### 51.5 Disclosure of conflict

Standard Bank and Investec Bank have been appointed as joint financial advisers, joint bookrunners and joint transaction sponsors in relation to the Listing.

#### **Standard Bank**

In its capacity as Joint Transaction Sponsor, Standard Bank has confirmed to the JSE and the Company that there is no matter that would impact on its ability to exercise reasonable care and judgement to achieve and maintain independence and objectivity in professional dealings in relation to Long4Life, and that would impact on its ability to act within the Code of Conduct as set out in the Listings Requirements.

The Standard Bank JSE and Regulatory team is a separate and distinct unit within the larger Standard Bank Corporate Finance department comprising of its own dedicated team members.

Standard Bank has various internal procedures in place to ensure that its ability to act independently as JSE Sponsor is not compromised. Pursuant to these internal procedures, Standard Bank has a Compliance Control Room function that identifies and manages conflict risks and ensures that strict "Chinese Walls" are maintained to ensure that as JSE Sponsor, it is able to act independently from other divisions within Standard Bank. Standard Bank also enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

## **Investec**

In its capacity as Joint Transaction Sponsor, Investec has confirmed to the JSE and to Long4Life that there is no matter that would impact on its ability to exercise reasonable care and judgement to achieve and maintain independence and objectivity in professional dealings in relation to Long4Life, or that would impact on its ability to act within the Code of Conduct as set out in the Listings Requirements.

Investec has various internal procedures in place to ensure that its ability to act independently as Joint Transaction Sponsor is not compromised. Pursuant to these internal procedures, Investec has a Compliance Control Room function that identifies and manages conflicts, risks and ensures that strict "Chinese Walls" are maintained to ensure that as Joint Transaction Sponsor, it is able to act independently from other divisions within Investec. Investec also enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

## **52. EXPERTS' CONSENTS**

52.1 Each of the joint financial advisers, joint bookrunners and joint transaction sponsors, independent reporting accountants and auditors and legal advisers whose names are included in this Pre-Listing Statement have consented in writing to the inclusion of their names in the capacity stated, and have not withdrawn such consent prior to publication of this Pre-Listing Statement.

52.2 The Independent Reporting Accountants have consented to the inclusion of their reports in the form and context in which they are included in the Pre-Listing Statement, which consent has not been withdrawn prior to the publication of this Pre-Listing Statement.

## **53. DIRECTORS' RESPONSIBILITY STATEMENT**

The members of the Board, whose names are given on page 12, collectively and individually, accept full responsibility for the accuracy of the information contained herein and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-Listing Statement contains all information required by the Listings Requirements.

## **54. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of Long4Life at c/o TMF Corporate Services (South Africa) Proprietary Limited, 3rd Floor, 200 on Main, Corner Main and Bowwood Roads, Claremont, Cape Town at any time during business hours on weekdays (official public holidays in South Africa excluded) from Friday, 31 March 2017 until Friday, 7 April 2017:

54.1 The signed Pre-Listing Statement;

54.2 Subscription Agreements;

54.3 B Joffe's employment agreement;

54.4 The Rules of the Conditional Share Plan;

54.5 The Rules of the Share Appreciation Rights Plan;

54.6 The MOI of the Company and its subsidiaries;

54.7 The letters of consent referred to in paragraph 52;

54.8 The material contracts referred to in paragraph 49;

54.9 The audited financial statements of the Company as at 30 June 2016; and

54.10 The signed report by the Independent Reporting Accountants, as set out in Annexure 2.

**SIGNED AT SANDTON ON 30 MARCH 2017 BY MR BRIAN JOFFE IN HIS CAPACITY AS A DIRECTOR OF LONG4LIFE AND ON BEHALF OF EACH OF THE OTHER DIRECTORS OF LONG4LIFE.**

## HISTORICAL FINANCIAL INFORMATION

The audited financial statements for the period ended 30 June 2016 (“historical financial statements”) are set out below.

### BASIS OF PREPARATION

The definitions and interpretations commencing on page 9 of the Pre-Listing Statement have been used throughout this Annexure 1.

The Directors of Long4Life are responsible for the preparation of the historical financial statements set out in this Annexure 1.

The Independent Reporting Accountants’ report on the historical financial statements is included in Annexure 2.

The historical financial information as set out in the Annexure has been prepared by B Joffe.

### LONG4LIFE LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	2016 R
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	4	100
<b>TOTAL ASSETS</b>		<b>100</b>
<b>EQUITY</b>		
<b>Shareholders’ equity</b>		
Stated capital	5	100
<b>TOTAL EQUITY</b>		<b>100</b>

The NAV at 30 June 2016 was R1 per share.

Long4Life did not engage in any trading activities during the period. Accordingly, statements of profit or loss and other comprehensive income and changes in equity have not been prepared.

Approved by the Board of Directors and signed by directors on 28 March 2017.

### LONG4LIFE LIMITED STATEMENT OF CASH FLOWS AS AT 30 JUNE 2016

	Note	2016 R
<b>Cash flows from operating activities</b>		
Cash utilised in operations		–
		–
<b>Cash flows from financing activities</b>		
Issued share capital		100
<b>Cash generated by financing activities</b>		<b>100</b>
<b>Net increase in cash and cash equivalents</b>		<b>100</b>
<b>Cash and cash equivalents at 30 June 2016</b>		<b>–</b>
<b>Cash and cash equivalents at 30 June 2016</b>	<b>4</b>	<b>100</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

### 1. LEGAL STATUS AND BUSINESS ACTIVITIES

Long4Life was registered and incorporated in South Africa as a private company on 2 June 2016 under the South African Companies Act. Long4Life was converted into a public company on 22 March 2017.

Long4Life has not yet started operations at the reporting date.

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current period, Long4Life has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2016.

#### **New and revised IFRSs in issue but not yet effective**

At the date of authorisation of these financial statements, the following relevant IFRSs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

- |        |   |
|--------|---|
| IAS 1  | Presentation of Financial Statements – Amendments resulting from disclosure initiative (Annual periods beginning on or after 1 January 2016).   |
| IAS 7  | Statement of Cash Flows – Amendments as result of the Disclosure initiative (effective 1 January 2017).   |
| IAS 12 | Income Taxes – Amendments regarding the recognition of deferred tax assets for unrealised losses (effective 1 January 2017).  |
| IAS 16 | Property, Plant and Equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016).   |
| IAS 16 | Property, Plant and Equipment – Amendments bringing bearer plants into the scope of IAS 16 (effective 1 January 2016).  |
| IAS 19 | Employee Benefits – Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016).   |
| IAS 27 | Separate Financial Statements – Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements (effective 1 January 2016).  |
| IAS 28 | Investments in Associates and Joint Ventures – Amendments regarding the application of the consolidation exception (effective 1 January 2016).  |
| IAS 28 | Investments in Associates and Joint Ventures – Amendments resulting from Annual Improvements 2014 – 2016 Cycle (clarifying certain fair value measurements) (effective 1 January 2016).   |
| IAS 38 | Intangible assets – Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016).   |
| IAS 40 | Investment Property – Amendments to clarify transfers or property to, or from, investment property (effective 1 January 2018).  |
| IAS 39 | Financial Instruments: Recognition and Measurement – Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the “own use” scope exception (effective 1 January 2018). |
| IFRS 2 | Share based payment – Amendments to clarify the classification and measurement of share-based payment transactions (effective 1 January 2018).  |
| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016).  |

- IFRS 7 Financial Instruments: Disclosures – Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016).
- IFRS 7 Financial Instruments: Disclosures – Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018).
- IFRS 7 Financial Instruments: Disclosures – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018).
- IFRS 9 Financial Instruments – Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018). The Directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The Directors have not yet assessed the potential impact of the application of these amendments.
- IFRS 10 Consolidated Financial Statements – Amendments regarding the application of the consolidation exception (effective 1 January 2016).
- IFRS 11 Joint Arrangements – Amendments regarding the accounting for acquisitions of an interest in a joint operation (effective 1 January 2016).
- IFRS 12 Disclosure of Interests in Other Entities – Amendments regarding the application of the consolidation exception (effective 1 January 2016).
- IFRS 12 Disclosure of Interests in Other Entities – Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying scope) (effective 1 January 2016).
- IFRS 15 Revenue from contracts with customers – Original issue (effective 1 January 2018).
- IFRS 16 Leases – Original issue (effective 1 January 2019).

### 3. **SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa. These financial statements have been prepared on the historical cost basis, except where indicated otherwise.

#### **Critical judgement and accounting estimates: valuation of investments**

In the process of applying the Company’s accounting policies, management has made no judgements and estimates.

#### **Functional and presentation currency**

Items included in the financial statements of Long4Life are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Rand, which is also considered by the Directors to be Long4Life’s functional currency.

#### **Related parties**

Parties are considered to be related, if one party has the ability to control the other party, has control of the reporting entity, exercises significant influence over the party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a post-employment benefit plan for the employee of the reporting entity.

#### **Financial instruments**

Financial assets and financial liabilities are recognised on Long4Life’s Statement of Financial Position when Long4Life has become a party to the contractual provisions of the instruments.

Financial assets held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the near future. All derivatives are also included in this category. Long4Life does not classify any derivatives as hedges in a hedging relationship.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with Long4Life's investment strategy and information about these financial assets are evaluated by the directors of Long4Life on a fair value basis together with other relevant financial information.

Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the profit or loss in the period in which they arise.

### **Accounts receivable**

Accounts receivable are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts, which approximates fair value.

### **Financial liabilities**

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

### **Accounts payable**

Accounts payable are stated at their nominal value, which approximates fair value.

### **Cash and cash equivalents**

Cash is defined as cash on hand and cash in banks and investments in money market instruments with a maturity of three months or less.

### **Effective interest rate**

The effective interest method is a method of calculating the amortised cost of the financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### **Impairment**

The carrying amounts of the assets are assessed at each year-end date to determine whether there is any indication of impairment. If such indication exists, Long4Life estimates the recoverable amount of the asset, being higher of the asset's net selling price and its value in use.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Long4Life are recognised at the proceeds received, net of direct issue costs.

### **Income tax**

Income taxes currently payable are provided for in accordance with the existing legislation of the country in which Long4Life operates.

### **Deferred tax**

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## Revenue recognition

Interest and investment income are recognised on the accrual basis. Realised and unrealised gains and losses on investments are recognised in profit or loss. Realised gains and losses on investments sold are determined on the basis of specific identification of the cost of investments sold. For purposes of the statement of cash flows investment activities are categorised as operating activities.

## 4. CASH

	<b>2016</b>
	<b>R</b>
Cash	100

## 5. STATED CAPITAL

	<b>2016</b>
	<b>R</b>
<b>Authorised share capital</b>	
5 000 Ordinary Shares	
	<b>2016</b>
	<b>R</b>
<b>Issued share capital</b>	
100 Ordinary Shares in issue as at 30 June 2016	100

## 6. TAXATION

No provision has been made for taxation as there has been no transaction during the period.

## 7. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

### Overview

This note presents information about Long4Life's exposure to each of the below mentioned risks, Long4Life's objectives, policies and processes for measuring and managing risk and Long4Life's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of Long4Life's risk management framework. Long4Life's risk management policies are established to identify and analyse the risks faced by Long4Life, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the products offered.

### Credit risk

Credit risk is the risk of financial loss to Long4Life if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Long4Life's credit risk is limited to the carrying amount of financial assets at the reporting date.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Long4Life's income or the value of its holdings of financial instruments. Long4Life has not yet started trading and is not exposed to market risk.

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Long4Life is not exposed to currency risk since all its financial assets and financial liabilities are denominated in ZAR.



Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Long4Life has no interest-bearing financial instruments and hence is not exposed to such a risk.

Capital risk management

Long4Life manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of Long4Life consists of equity comprising of stated capital.

## 8. **FINANCIAL INSTRUMENTS**

Categories of financial instruments

	<b>2016</b>
	<b>R</b>
<b>Financial assets</b>	
Cash	100

## 9. **FAIR VALUE**

The fair value of Long4Life's financial assets approximate their carrying values due to the short-term nature of the balances involved.

## 10. **SUBSEQUENT EVENTS**

Long4Life will be listed on the JSE on 7 April 2017. As this is a material transaction occurring post the year-end date, the occurrence of such is classified as a subsequent event for reporting purposes.

## 11. **CONTINGENT LIABILITIES**

The expenses of the intended listing (including expenses incurred in relation to the issue of new shares), are estimated to amount to R18 763 000. These expenses will be paid by Long4Life subsequent to the period ended 30 June 2016.

## 12. **COMPARATIVE FINANCIAL INFORMATION**

No comparative financial information has been presented as Long4Life was only incorporated on 2 June 2016.

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## INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION

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The Board of Directors  
Long4Life Limited  
3rd floor, 200 on Main  
Corner Main and Bowwood Roads  
Claremont  
7708

**Dear Sir(s)/Madam**

### INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF LONG4LIFE LIMITED INCLUDED IN THE PRE-LISTING STATEMENT

#### *Introduction*

We have audited the historical financial information of Long4Life Limited (the Company) in respect of the period ended 30 June 2016 set out in Annexure 1 of the pre-listing statement, to be issued on or about 31 March 2017. The historical financial information comprises the statement of financial position as at the period-end date, the statement of cash flows for the period then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Directors' responsibility for the historical financial information*

The Company's directors are responsible for the preparation and fair presentation of the historical financial information in accordance with the requirements of the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

The JSE Listings Requirements require the historical financial information in respect of the annual period to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and also, as a minimum, to be presented and contain the disclosures required by the JSE Listings Requirements.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the historical financial information based on our audit.

We conducted our audit of the historical financial information in accordance with International Standards on Auditing (ISAs). These standards require that we comply with ethical requirements.

We plan and perform the audit to obtain reasonable assurance about whether the historical financial information is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the historical financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial information.

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

### *Opinion*

In our opinion, the historical financial information in respect of the period ended 30 June 2016 is prepared, in all material respects, in accordance with the requirements of the JSE Listings Requirements, as set out in note 3 to the historical financial information.

### *Other information in the pre-listing statement*

As required by paragraph 8.53 of the JSE Listings Requirements, we have read the pre-listing statement in which the historical financial information is contained, for the purpose of identifying whether there are material inconsistencies between the pre-listing statement and the historical financial information which has been subject to audit. The pre-listing statement is the responsibility of the directors. Based on reading the pre-listing statement we have not identified material inconsistencies between this report and the historical financial information which has been subject to audit. However, we have not audited the pre-listing statement and accordingly do not express an opinion on it.

### **Consent**

We consent to the inclusion of this report, which will form part of the pre-listing statement to the shareholders of Long4Life Limited, to be issued on or about 31 March 2017, in the form and context in which it appears.

### **Deloitte & Touche**

Registered Auditor

Per: **James Welch**

*Partner*

28 March 2017  
Deloitte & Touche  
Deloitte Place  
The Woodlands  
20 Woodlands Drive  
Woodmead  
Sandton  
2193

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## RISK FACTORS

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An investment in the Company will involve substantial risks and is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who are able to bear a loss of their investment. You should carefully consider the following factors in addition to the other information set out in this pre-listing statement before you decide to acquire Shares in terms of the Subscriptions or following the Listing. Additional risks and uncertainties that the Company does not currently know about or that it currently believes are immaterial may also adversely impact its business, financial condition, results of operations, investments, returns, realisations or the value of an investment in the Company. If any of the circumstances outlined in the following risk factors actually occurs, the Company's business, financial condition, results of operations, investments, returns, realisations, the price of the Shares and the value of an investment in the Company would be adversely affected. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence or of their severity or significance.

### 1. RISKS RELATING TO THE COMPANY'S BUSINESS, INVESTMENTS AND INVESTMENT STRATEGY

#### 1.1 There is a risk that the investments may not achieve the investment objectives

Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Company and, accordingly, will be dependent upon the judgement and ability of the Board to consider. No assurance can be given that the Company will be successful in obtaining suitable investments or, if such investments are made, that the objectives of the Company will be achieved, with the result that the Company may not be able to achieve the optimum balance of investments within the Company's portfolio necessary to achieve the Company's investment goals.

#### 1.2 Investments may be sold at prices below acquisition costs

There can be no assurance that the Company's investments will not be sold at prices below their acquisition costs. Future performance, market conditions, political environment and macro and micro economic conditions are uncertain and may require disposal of an investment at a price below the acquisition cost.

#### 1.3 Higher risk inherent in investment in unlisted securities

The Company intends to invest in securities that may not now and may never be publicly traded or listed on a securities exchange. Companies whose securities are unlisted are not subject to the same disclosure and other investor protection requirements that are applicable to companies with listed securities. These investments may be difficult to value (which valuation may also be subjective) and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies, because of the lack of liquidity.

#### 1.4 Investments by the Company require long-term commitment with no certainty of return

A substantial proportion of the Company's investments will require a long-term commitment of capital. A substantial amount of the Company's investments may also be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. Although certain investments made by the Company may generate current income, the return of capital and the realisation of gains, if any, from an investment by the Company will generally occur only upon the partial or complete disposal of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the Board determines such sale would be in the Company's best interests. In addition, if the Company were to be required to liquidate all or a portion of an investment quickly, it may realise significantly less than the value at which the investment was previously recorded, which could result in a decrease in the Company's NAV.

**1.5 The Company may have difficulty or be unable to dispose of its investments**

The Company may have difficulty exiting their investments by way of disposal or public-market exit. The Company may not be able to find a buyer to conclude a disposal. Market conditions, other shareholder interests or the nature and performance of the investment may preclude a public-market exit by way of offering of securities. Furthermore, regulatory requirements may further prohibit exit by way of public-markets.

**1.6 The Company may invest a portion of its assets in smaller, less established companies**

Investments in such companies may involve greater risks than are generally associated with investments in more established companies. Such companies also have shorter operating histories on which to judge future performance and may experience related difficulties that are not faced by established companies.

Although the Board has extensive experience in investments, some of the investments recommended in which the Company intends to invest, directly or indirectly, will be newly-formed or recently-formed entities with a limited operating history upon which to evaluate their likely performance or the likely effectiveness of Investment Strategy. An investment in the Company is thus subject to all of the risks and uncertainties associated with any new business, including the risk that the Company will not achieve its investment objectives and that the value of an investment in the Shares could decline substantially.

**1.7 The Company cannot provide assurances that it will be able to realise value from any investments made in any particular company or portfolio of companies**

There can be no assurance that the Company will be able to achieve its objectives and generate returns for their investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that any investor will receive any distribution from the Company. Accordingly, an investment in the Company should only be considered by persons who can afford a loss of their entire investment.

**1.8 The success of the Investment Strategy will often depend, in part, on the ability of the Board and management team to restructure and effect improvements in the operations of an investee company**

The activity of identifying and implementing potential operating improvements at the Company's investments entails a high degree of uncertainty. There can be no assurance that the Board and/management team will be able to successfully identify and implement such improvements.

**1.9 The Company may make investments in restructurings which involve investment that are experiencing or expected to experience financial difficulties**

These financial difficulties may never be overcome and may cause such investment to become subject to business rescue and/or insolvency proceedings. Such investments could, in certain circumstances, subject the Company to certain additional potential liabilities which may exceed the value of the Company's original investment therein. In addition, under certain circumstances, payments to the Company, and distributions by the Company to investors, may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, voidable disposition or similar transactions under applicable bankruptcy and insolvency laws.

**1.10 Certain of the Company's investments, particularly those in a development phase, may be expected to require additional financing to satisfy their working capital, expansion capital and acquisition capital requirements**

The amount of such additional financing needed will depend upon the maturity and objectives of the particular investment. Each such round of financing (whether from the Company or other investors) is typically intended to provide the Company's investments with enough capital to reach the next major corporate milestone in their development. If the capital provided is not sufficient, a company may have to raise additional capital at a price unfavourable to the existing investors, including the Company. In addition, the Company may make additional debt and equity investments or exercise warrants (or procure the exercise of), options or convertible securities that were acquired in the initial investment in such company in order to preserve the Company's proportionate ownership when

subsequent financing is planned, or to protect the Company's investment when such investment's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Company or any investment. There can be no assurance that any of the Company's investments will be able to predict accurately the future capital requirements necessary for success or the availability of additional funds from any source.

**1.11 Each investee companies' day-to-day operations will be the responsibility of such company's own management**

Although the Company will be responsible for monitoring the performance of each investee company and intends to recommend investment in companies operated by strong management teams, there can be no assurance that any such company's existing management team, or any successor, will be able to operate the Company's investment in accordance with the Company's plans.

**1.12 Limited number of investments, concentration of investments and highly competitive market for investment opportunities**

The Company may participate in a limited number of investments and, as a consequence, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of any single investment. In addition, investors have no assurance as to the degree of diversification of the Company's investments. In addition, the Company may be competing with other investors and corporate buyers for the investments that they will respectively make. The activity of identifying, completing and realising attractive investments is highly competitive, and involves a high degree of uncertainty. The Company will be competing for investments with other investors, as well as companies, public equity markets, individuals, financial institutions and other investors. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Company and adversely affecting the terms upon which investments can be made. Many of these competitors may be substantially larger and have considerably greater financial, technical and marketing resources than those that are available to the Company. There can be no assurance that the Company will be able to locate, consummate and exit investments that satisfy the Company's rate of return objectives or realise upon their values or that it will be able to invest fully its committed capital. If they are unable to do so, there may be a material adverse impact on the Company's investment performance.

**1.13 The Company's business is subject to irregular cash flows**

The nature of the Company's business will subject the Company to irregular cash flows. All investments are not realised at set intervals, but are rather specific to each investment.

**1.14 The Company's business is subject to various laws and regulations and changes in such laws and regulations and/or failure to comply with existing or future laws and regulations could have a material adverse effect on the Company's financial condition**

The Company may invest in entities that operate in a number of highly regulated industries. Any failure to comply with these laws or regulations could result in increased capital expenditure or operating costs or the imposition of criminal or civil liability or restrictions on the Company's operations or the operations of the underlying investee company that could have a material adverse effect on the businesses, results of operations and financial conditions. These laws and regulations and interpretations thereof may change, sometimes dramatically, as a result of a variety of factors, including political, economic or social factors.

The Company may indirectly incur significant costs to comply with existing or new legislation, which applies to the operations of the underlying investee company going forward, and may be subject to liability to the extent there is a change in law or interpretation of law applicable to past practices. The need to comply with new, evolving or revised laws or regulations, or new, evolving or changed interpretations or enforcement of existing laws or regulations, may have a material adverse effect on a particular investee company's business and results of operations.

In addition, the Company may invest in investee companies that may be subject, from time to time, to tax reviews by revenue authorities in the countries other than South Africa in which such investee company invests or operates whether directly or indirectly. Should the relevant revenue authority disagree with any tax position adopted by an investee company in relation to its business or disallow deductions or allowances claimed by such investee company, it may result in higher tax expenses, penalties and interest, which could negatively impact the investee company's effective tax rate, financial position and results of operations. Furthermore, unfavourable changes to tax laws or interpretations of tax laws by the relevant revenue authority could also have a similar material adverse effect.

**1.15 Economic, political or social volatility affecting South Africa or any other jurisdiction in which Long4Life may make investments may have an adverse effect on the Company's financial condition**

The Company is a South Africa-incorporated and managed company and thus subject to South African law. Changes to, or increased volatility in, the economic, political, legal or regulatory, or social environment in South Africa, the United Kingdom, Europe, Australasia, or in surrounding countries could create uncertainty which discourages investment in the region and may affect an investment in the Company or may alter the existing treatment or legal standing of the Company. This may restrict the Company's future access to financing and/or manner of operation or investment and could have a material adverse effect on the Company's financial condition and results of operations.

**2. RISKS RELATED TO THE INDUSTRY**

**2.1 Risks related to the industry of the Company's investments, general fluctuations and volatility in the market prices of securities may affect the value of the investments held by the Company**

Instability and volatility in the securities markets may also increase the risks inherent in the Company's investments. The ability of the underlying investee companies of the Company to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing.

**3. RISKS RELATED TO THE SUBSCRIPTION**

**3.1 Liquidity risk**

Although the Shares will be listed on the exchange operated by the JSE, there is no guarantee that a more active trading market for the Shares will develop and be sustained after Listing. If a more active volume traded in the Shares does not develop or is not sustained after the Listing, this could have a material adverse effect on the liquidity and consequently the market price of the Shares.

**3.2 Market price of the Shares may prove to be volatile and is subject to fluctuations, including significant decreases**

The market price of the Shares could be volatile and subject to significant fluctuations due to a variety of factors, some of which do not relate to the Company's fundamentals, including changes in general market conditions, the general performance of the exchange operated by the JSE, changes in sentiment in the market regarding the Shares, regulatory changes affecting the Company's operations, variations in the Company's results, business developments of the Company or its competitors, the operating and share price performance of other companies in the industries and markets in which the Company operates, speculation about the Company's business in the press, media or the investment community, or changes in the political, social or economic conditions in South Africa and other sub-Saharan African countries, as well as other emerging markets. Investments in emerging markets, including in sub-Saharan African countries may be subject to unique risks. Furthermore, the Company's results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Shares.

### 3.3 **Shares could trade at a discount to NAV**

The Shares could trade at a discount to the Company's NAV for a variety of reasons, including due to market conditions or to the extent investors assign a lower value to the Company's net assets as reported by management. The Company intends continuously to reinvest the cash that it receives, except in limited circumstances. Therefore, the primary method for investors to obtain a return on their investment is to sell their Shares. Accordingly, in the event that a shareholder requires immediate liquidity, or otherwise seeks to realise the value of its investment in the Company, through a sale of Shares, the amount received by the holder upon such sale may be less than the underlying NAV of the Shares sold.



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## RELEVANT PROVISIONS FROM THE MOI OF LONG4LIFE AND ITS SUBSIDIARIES

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The salient features of the Company's MOI (and its subsidiaries) are set out below. Please note that the salient features do not constitute an exhaustive summary of the provisions of the MOI but highlight certain key aspects only.

Accordingly, the MOI will need to be read in its entirety for a full appreciation of its contents.

Theme/clause	MOI content
Amendments to MOI	Save for any amendment ordered by a court in terms of section 16(1)(a) of the Act, the MOI may be amended only if such amendment is submitted to the JSE before such amendment is submitted to all shareholders for approval and such amendment is approved by a special resolution pursuant to section 16(1)(c) of the Act.
Authorised securities, allotment and issue	The Company is authorised to issue 4 000 000 000 (four billion) ordinary shares of no par value. The MOI makes provision for voting, ranking, and rights and privileges of the shares in accordance with sections 36 to 40 and 63 of the Act and schedule 10 of the Listings Requirements.
Authority to issue and to repurchase securities	The Directors do not, save in certain defined circumstances, have the authority to allot or issue shares without having obtained the requisite shareholder approval in terms of the Listings Requirements. Furthermore, an allotment or issue to certain persons such as Directors and prescribed officers require the approval of shareholders by special resolution, as contemplated in section 41 of the Act. The Company is authorised to repurchase its securities subject to the Listings Requirements.
Pre-emption on issue of ordinary shares	Unissued shares must first be offered to existing shareholders by way of a <i>pro rata</i> rights offer, unless the issue is for an acquisition of assets, an approved share incentive scheme, an amalgamation or merger, or in terms of option or conversion rights or as contemplated in section 40(5) to (7) or as a capitalisation issue as contemplated in section 47.
Prohibition against voting of securities held by one person for the beneficial interest of another and <i>lien</i>	The Company will allow securities to be held by one shareholder for the beneficial interest of another but those securities may not be voted upon by the holder of a beneficial interest not holding a proxy from the holder, notwithstanding any agreement permitting the holder of the beneficial interest to vote the securities. Furthermore, in accordance with the Listings Requirements, the Company is not entitled to claim any <i>lien</i> over any securities.
Commission	The Company may pay commission not exceeding 10% of the subscription price at which securities of the Company are issued to a shareholder.
Transfer of securities	There are no restrictions on the transfer of the Company's shares and other securities.
Audit Committee	The Company must appoint an audit committee in the manner and for the purpose of Part D of Chapter 3 of the Act.
Shareholders' meetings	No shareholders' resolutions required in terms of the Listings Requirements may be dealt with by round robin resolution and all shareholders' meetings must be convened in accordance with the Act and the Listings Requirements. Shareholders may not resolve to ratify any act which is contrary to the Act or the Listings Requirements. A shareholder may appoint a proxy who need not be a holder of the Company's securities. Provision is also made for shareholders to participate in meetings by electronic communication, as provided for in section 61(10) of the Act. The <i>quorum</i> for a shareholders' meeting is at least 25% of all the voting rights entitled to be exercised, provided at least three holders are present at a meeting.

<b>Theme/clause</b>	<b>MOI content</b>
Record date	The MOI requires the board to determine the record dates to ascertain participation and rights of shareholders in accordance with section 59 of the Act and the regulations provided that for so long as the Listings Requirements apply to the Company such record date shall be the record date as required by the Listings Requirements.
Election of directors/alternate directors and vacancies	The minimum number of Directors shall be four. The appointment of alternate Directors is permitted. The board is authorised to fill any vacancy but any individual so appointed by the board must cease to hold office on the earlier of the date of which the vacancy has been filled by election in terms of the MOI or at the first annual general meeting after his appointment, unless he is elected at that or any other shareholders' meeting. At least one third of Directors are required to retire by rotation at each subsequent annual general meeting of the Company and are eligible for re-election at that meeting provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he shall not be subject to retirement by rotation.
Cession of office as director/alternate director	A director or alternate director shall cease to hold office if, <i>inter alia</i> , he becomes ineligible or disqualified, he resigns or is declared delinquent by a court. A director may also be removed by ordinary resolution in terms of section 71 of the Act.
Remuneration of directors, alternate directors and board committee members	Directors may be paid travelling and other expenses properly and necessarily incurred by them in attending to the business of the Company. If any director is required to perform extra services or be specially occupied in the Company's business, he shall be entitled to receive a remuneration determined by a disinterested <i>quorum</i> of Directors. The Company may pay remuneration to its Directors for their services as Directors only in accordance with a special resolution approved within the preceding two years as more fully contemplated in section 66(8) and (9) of the Act. This does not apply to remuneration paid to any Director for their services as employees of the Company.
Executive directors	A director may be employed in any other capacity in the Company (except that of Auditor) or as a director or employee of a Company controlled by or itself a major subsidiary of the Company, in which event his appointment and remuneration respect of such other office will be determined by a disinterested <i>quorum</i> of Directors or a committee of the Board constituted for this purpose.
Personal financial interest	Each director is required to comply with section 75 of the Act if he has a personal financial interest in any matter to be considered by the board.
Proceedings of directors	Directors may elect a chairperson, deputy chairperson and/or lead independent director and determine the period for which that person is to hold office. Directors are permitted to make decisions by way of round robin resolution where proper notice of the matter to be decided upon has been received by each director and the majority of the Directors have voted in favour of the matter. A round robin resolution may be executed in any number of counterparts and will have the same effect as if those signatures were on the same copy of that resolution.
Distributions	The Company shall be entitled to make distributions from time to time, provided, <i>inter alia</i> , that it reasonably appears that the Company will satisfy the 'solvency and liquidity' test (as contemplated in section 4 of the Act), immediately after the aforesaid distribution, and the board, by resolution, has acknowledged that it has applied the 'solvency and liquidity' test and has reasonably concluded that the Company will satisfy that test immediately after the aforesaid proposed distribution.

<b>Theme/clause</b>	<b>MOI content</b>
Notices	The Company may give notices, documents, records or statements or notices of availability of the foregoing by personal delivery to a holder or, if required, to a holder of beneficial interests or by prepaid post or by electronic communication transmission. The Company must give notice of any meeting to persons entitled to vote at that meeting (other than proxies) who have elected to receive such notice.
Indemnity	The Company may not, directly or indirectly, pay any fine that may be imposed on a director (including a former director, an alternate director, a prescribed officer and a member of a board committee) as a consequence of that director having been convicted of an offence, but may advance expenses to the director to defend litigation arising out of his services to the Company. The Company may, directly or indirectly, indemnify a director for any liability unless the liability arose in terms of section 77(3)(a), (b) or (c) of the Act, or from wilful misconduct or wilful breach of trust on the part of that director.
Social and Ethics Committee	The Company has a statutory obligation, in terms of section 72 of the Act, to establish a social and ethics committee in line with regulation 43.

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## CORPORATE GOVERNANCE

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The Board is responsible for ensuring that the Company complies with all of its statutory obligations as specified in the MOI, the Companies Act, the Listings Requirements and all other regulatory requirements. The Board at all times acts in the best interests of the Company in ensuring an effective compliance framework, the integrity of its financial reporting and risk management, together with timely and transparent disclosure to Shareholders.

The Company is committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs. The Directors endorse the King Code and recognise the need to conduct the affairs of the Company with integrity and in accordance with generally accepted corporate practices. The Directors recognise that they are ultimately responsible for the financial performance of the Company. A full analysis of the steps taken by the Company to comply with the King Code will be available on the Company's website [www.long4life.co.za](http://www.long4life.co.za) from Listing Date.

### **Board of Directors' practices**

The Board currently consists of one executive Director and four non-executive Directors and one alternative Director of whom five are Independent non-executive Directors. In accordance with the Company's board term of reference (the "Board Charter"), the Board composition reflects a majority of non-executive Directors. Pursuant to the abovementioned composition and the policies set out in the Board Charter, no one Director has unfettered powers of decision making.

The Board recognises and values the unique contribution people can make because of their individual background, different skills, experience, perspectives, demographics and gender. To this end, the Board shall establish relevant criteria for nominating and appointing a gender diverse board.

The Board is ultimately responsible for the management of the Company's business, strategy and key policies. The Board is also responsible for approving the Company's financial objectives and targets.

Appointments to the Board are in terms of a formal and transparent procedure and are a matter for the Board with the assistance of the Nomination and Remuneration Committee, subject to Shareholder approval.

The Board also has the power to appoint additional Directors.

The Company's Executive Directors are involved in the day-to-day business activities of the Company and are responsible for ensuring that the decisions of the Board are implemented in accordance with the mandates given by the Board.

The Board will initially have a minimum of four scheduled meetings per financial year. *Ad hoc* meetings are held to consider special business, if required.

### **Committees**

#### **Audit and Risk committee**

The Audit and Risk Committee is responsible for performing the functions required of it in terms of section 94(7) of the Companies Act. These functions include: (i) nominating and appointing the Company's auditors and ensuring that such auditors are independent of the Company; (ii) determining the auditors' fees and terms of engagement; (iii) ensuring that the appointment of the auditors complies with the provisions of the Companies Act and any other relevant legislation; (iv) determining, from time to time, the nature and extent of non-audit services to be provided by the Company's auditors and to pre-approve any agreement in respect of such services; (v) preparing a report to be included in the annual report of the Company, in compliance with the Companies Act; (vi) dealing with any complaints (whether from within or outside the Company) relating to accounting practices, internal audits of the Company or the content of the Company's financial statements and related matters; and (vii) making submissions to the Board on any matter concerning the Company's accounting policies and financial controls.

The non-statutory functions of this Committee are to assist the Board in discharging its duties relating to the safeguarding of the assets of the Company, the operation of adequate systems, the formulation of internal controls and control processes and the review and preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards and addressing statutory and regulatory issues, including the nomination for appointment, removal and replacement of the external auditors with the appointment being subject to the approval by Shareholders at the next annual general meeting. With regard to risk, this Committee is to assist the Board to ensure that: (i) the Company has implemented relevant risk management processes that will enhance the Company's ability to achieve its strategic objectives; and (ii) the Company's disclosure regarding risk is comprehensive, timely and relevant and (iii) identify risks and opportunities and oversight of technology and information management.

The Audit and Risk Committee shall normally invite the CEO, the CFO, the CIO, managers responsible for finance, the head of internal audit and the external audit partners to attend meetings and to make proposals as necessary and should invite the Chairperson of the Board to all Audit and Risk Committee meetings.

The Audit and Risk Committee shall review the expertise, experience and performance of the Company's Financial Director (or CFO), annually and report on whether or not it is satisfied therewith. The Audit and Risk Committee shall confirm this review by reporting to the Shareholders in the annual report of the Company that it has executed this responsibility. The Audit and Risk Committee shall determine whether it is satisfied with the CFO's current expertise, experience and performance in the last reporting period. In addition, the Audit and Risk Committee shall review and report on the expertise, resources and experience of the Company's finance function.

The Audit and Risk Committee is required to meet a minimum of thrice per financial year. *Ad hoc* meetings are held to consider special business, as required.

The Audit and Risk Committee is chaired by T Abdool-Samad, an independent non-executive director, and its other members are L Jacobs and CS Datnow. All members are Independent Non-Executive Directors of the Company.

### **Nomination and Remuneration Committee**

CS Datnow, an Independent Non-Executive Director, chairs the Nomination and Remuneration Committee which is comprised entirely of Independent Non-Executive Directors. The other members of the Nomination and Remuneration Committee are T Abdool-Samad and L Jacobs.

The Nomination and Remuneration Committee is responsible for the specific remuneration packages for Executive Directors, including, but not limited to, basic salary, performance-based short-term and long-term incentives, pensions and other benefits (recommendations in this regard are made after considering both the interests of the Shareholders and the financial and commercial health of the Company), long-term incentive schemes and the allocation of Shares and rights in terms thereof. The Nomination and Remuneration Committee is also responsible for recommending to the Board, fees for the Directors and the chairperson, as well as fees for members and chairmen of Committees of the Board, for subsequent approval by Shareholders of the Company.

The Nomination and Remuneration Committee meets a minimum of twice per financial year. *Ad hoc* meetings are held to consider special business, as required.

### **Social and Ethics Committee**

This Committee comprises L Jacobs, who chairs the Committee and T Abdool-Samad and CS Datnow. The Social and Ethics Committee monitors the Company's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, including the impact of the Company's activities and of its products or services), stakeholder and consumer relationships and labour and employment issues.

The Social and Ethics Committee draws to the attention of the Board, matters within its mandate as occasion requires and reports to the Shareholders at the Company's annual general meeting on such matters.

In order to carry out its functions, the Social and Ethics Committee will be entitled to request information from any Directors or employees of the Company, attend and be heard at general Shareholders' meetings, and receive notices in respect of such meetings.

The Social and Ethics Committee meets a minimum of two times per financial year. *Ad-hoc* meetings are held to consider special business, as required.

### **Internal control systems**

To meet the Company's responsibility to provide reliable financial information, the Company maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that transactions are properly authorised and recorded.

The Company monitors the operation of the internal control systems in order to determine if there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified. The Board, operating through the Audit and Risk Committee, oversees the financial reporting process and internal control systems. There are inherent limitations on the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

### **Company secretarial function**

TMF Corporate Service (South Africa) Proprietary Limited (represented by Joanne Matisonn, FCIS; H.Dip Co.Law (Wits); MA in Applied Ethics for Professionals (Wits)), the company secretary of the Group, is a suitably-qualified, competent and experienced company secretary and has been appointed and appropriately empowered to fulfil duties with regards to assistance to the Board. The company secretary is not a Director of the Company. The Board is satisfied that there is an arm's length relationship between the company secretary and the Board.

The Board reviews the competence, qualifications and experience of the company secretary annually and reports on whether or not it is satisfied therewith. This report is confirmed by reporting to Shareholders in the annual report of the Company. The Board has determined that it is satisfied with the current competence, qualifications and experience as the Company's company secretary.

The company secretary of the Company is required to provide the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers and is also required to ensure that the Directors are aware of all laws and legislation relevant to, or affecting the Company and reporting to any meetings, of the Shareholders of the Company or of the Directors, any failure on the part of the Company or a Director to comply with the MOI of the Company or the Companies Act.

The company secretary must certify in the Company's annual financial statements whether the Company has filed required returns and notices in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date, and ensure that a copy of the Company's annual financial statements is sent, in accordance with the Companies Act, to every person who is entitled to it. Furthermore, the company secretary is responsible for carrying out the functions of a person designated in its annual returns to ensure the Company's compliance with its transparency, accountability and integrity of requirements set out in sections 22 to 34 of the Companies Act, and the enhanced accountability and transparency requirements set out in Chapter 3 of the Companies Act, to the extent applicable.

The company secretary is also required to ensure that minutes of all Shareholders' meetings, Directors' meetings and any committee meetings of the Directors are properly recorded in accordance with sections 24(d) and (e) and section 73 of the Companies Act.

### **Communications with stakeholders**

The Company is committed to ongoing and effective communication with stakeholders. It subscribes to a policy of open and timeous communication in line with JSE guidelines and sound corporate governance and will manage these through an investor relations programme.

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**DIRECTORSHIPS IN OTHER COMPANIES IN THE PAST FIVE YEARS**


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Other directorships held by the Directors of the Company during the previous 5 (five) years, not already set out in the pre-listing statement, are set out below:

<b>Name</b>	<b>Company</b>	<b>Capacity</b>	<b>Still a director</b>
<b>B Joffe</b>	Adcock Ingram Holdings	Non-Executive Director	X
	Bid Corporation	Director	X
	Bidcorp Corporate Services	Director	X
	Bidvest Wits University Football Club	Director	X
	Cawsat Investments	Director	X
	Cligor	Director	X
	Consumer Investment Holdings	Director	X
	Everyday Foods	Director	X
	International Bakery Ingredients	Director	X
	Jair	Director	X
	Jdl Corporate and Aviation Services	Director	X
	Jdl Holdings	Director	X
	Lexshell 199 Investments	Director	X
	Long18	Director	X
	Long36	Director	X
	Long4life	Director	X
	S Wainstein and Co	Director	X
	The Bidvest Group	Director	X
	The SA SME Fund	Director	X
	Tri-Mark Industries	Director	X
	Werkshell 34 Investment Holdings	Director	X
	Afcom Group	Director	
	B B Investment Company	Director	
	Back To School Supplies	Director	
	Benjof Management Services	Director	
	Bethany House Properties	Director	
	Bid Financial Services	Director	
	Bidcorp Food Africa	Director	
	Bidfood	Director	
	Bidpac	Director	
	Bidtravel	Director	
	Bidvest Bakery Solutions	Director	
	Bidvest Bank	Director	
	Bidvest Bank Holdings	Director	
	Blue Marine Frozen Foods	Director	
	Centon Properties	Director	
	Central Office Furnishers	Director	
	Crown Food Group	Director	
	Crown Ingredient Solutions	Director	
	D and R Lowe Catering Supplies	Director	
	G E Hudson	Director	
	Gala Stationery	Director	
Global Payment Technologies	Director		

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<b>Name</b>	<b>Company</b>	<b>Capacity</b>	<b>Still a director</b>
	Home Of Living Brands Group	Director	
	I-Fusion Corporate	Director	
	Lusitania Sea Products (O F S)	Director	
	M and M Quality Choice	Director	
	Marjo Holdings	Director	
	Markwell (Africa)	Director	
	Mccarthy	Director	
	Minolco	Director	
	Mymarketdot Com	Director	
	NCP Yeast	Director	
	Nuclear Corporate Furniture	Director	
	Patleys	Director	
	Pencil Park	Director	
	Primeinvest 5	Director	
	Ram Fasteners	Director	
	RFS Catering Supplies	Director	
	Seating	Director	
	Silveray Properties	Director	
	South African Diaries	Director	
	The Clever Boys	Director	
	Ti-Strap	Director	
	Tuning Fork	Director	
	Voltex Holdings	Director	
	Vulcan Catering Equipment	Director	
	Walter A Chipkin	Director	
	Webjet SA	Director	

<b>Name</b>	<b>Company/Partnership</b>	<b>Position</b>	<b>Still a director</b>
<b>GW Dempster</b>	Telkom SA SOC Limited	Director	X
	Imperial Holdings Limited	Director	X
	AECI Limited	Director	X
	Sanlam Capital Markets (Pty) Limited	Director	X
	Genbel Securities (Pty) Limited	Director	X
	Sanlam Credit Conduit (Pty) Limited	Director	X
	Nedbank Group Limited	Director	
	Nedbank Limited	Director	
	Banco Unico S.A.	Director	
	Ecobank Transnational Incorporated	Director	
	NedGroup Africa Investments Proprietary Limited	Director	

<b>Name</b>	<b>Company/Partnership</b>	<b>Position</b>	<b>Still a director</b>
<b>T Abdool-Samad</b>	Reunert Limited	Non-executive Director	X
	Absa Bank Limited	Non-executive Director	X
	Absa Financial Services	Non-executive Director	X
	Sovereign Business Solutions (Pty) Ltd	Director	X
	Insele Ventures (Pty) Ltd	Director	X
	Deloitte & Touche	Partner	



<b>Name</b>	<b>Company/Partnership</b>	<b>Position</b>	<b>Still a director</b>
<b>L Jacobs</b>	The Bidvest Group Limited	Director	
	Vunani Limited	Director	
	Perdeberg Group (Pty) Ltd	Director	X
	Bassap Ventures (Pty) Ltd	Director	X
	Madmead Brewery (Pty) Ltd	Director	X
	H1 Capital (Pty) Ltd	Director	X
	H1 Holdings (Pty) Ltd	Director	X
	Eternity Power (Pty) Ltd	Director	X
	Specialised Solar Systems (Pty) Ltd	Director	X
	Powerhouse Africa (Pty) Ltd	Director	X
	Rennies Travel (Pty) Ltd	Director	X
	BCD Travel (Pty) LTd	Director	X
	Travel Connections (Pty) Ltd	Director	X
	Pureau Water (Pty) Ltd	Director	X
G Fox (Pty) Ltd	Director	X	

<b>Name</b>	<b>Company/Partnership</b>	<b>Position</b>	<b>Still a director</b>
<b>CS Datnow</b>	Brandcorp Holdings (Pty) Ltd	Director	X
	Brandcorp (Pty) Ltd	Director	X
	Prestige Quality Housewares (Pty) Ltd	Director	X
	Quinmatro Retail CC	Director	
	Rosyco Retail CC	Director	
	Cosyro Retail CC	Director	
	Renttech South Africa (Pty) Ltd	Director	X
	Renttech Holdings (Pty) Ltd	Director	X
	Unit 5.10 Bantry Bay (Pty) Ltd	Director	X
	Main Street 573 (Pty) Ltd	Director	X

<b>Name</b>	<b>Company/Partnership</b>	<b>Position</b>	<b>Still a director</b>
<b>JP Joffe</b>	Top Dog	Director	X
	Grafifiti Media	Director and CEO	
	Aspire Art Auctions	Director	X
	Brooklyn Foods	Director	
	Gentech	Director	

## LONG4LIFE LONG-TERM INCENTIVE SCHEMES

Long4Life aims to implement a long-term incentive scheme for executives in order to align the Company's executives' wealth creation with Shareholders. The Company will adopt a Conditional Share Plan (CSP) under which participants are awarded a right to future delivery of equity (i.e. a conditional right to receive shares).

The CSP scheme is also designed to motivate long-term sustainable performance and would serve as a retention mechanism for Executives.

Vesting of awards will be subject to the achievement of performance conditions, each with different weightings. Vesting of awards will also be subject to an outperformance target, in which only outstanding performance will be rewarded with a maximum payout.

Long4Life performance metrics will comprise the following:

	Performance condition	Weighting	Performance conditions
1.	Absolute TSR	50%	CAGR of the Share price over three-year period
2.	Relative TSR against benchmark	50%	CAGR of the Share price over three-year period against JSE INDI

### 1. ABSOLUTE TSR (50%)

CAGR in invested NAV over three-year period	Minimum total three-year return	Minimum absolute hurdle price	Vesting ratio
<9%	0% – 30%	<R6.48	0% of allocation
9.01% – 10%	30%	R6.48	25% of allocation
10.01% – 12%	33%	R6.66	50% of allocation
12.01% – 15%	40%	R7.02	75% of allocation
15.01% – 20%	52%	R7.60	100% of allocation
>20%	73%	>R8.64	120% of allocation

### 2. RELATIVE TSR AGAINST BENCHMARK (50%)

CAGR in L4L share price over three-year period (performance per annum)	Vesting of award
Less than 2% above JSE INDI return	0% of allocation
2.01% above JSE INDI return – 4% above JSE INDI return	25% of allocation
4.01% above JSE INDI return – 6% above JSE INDI return	50% of allocation
6.01% above JSE INDI return – 10% above JSE INDI return	100% of allocation
More than 10% above JSE INDI return	120% of allocation

Awards will be granted annually, however, the performance period is measured over three years. Once Performance Conditions have been met the CSP awards will vest as follows:

- 75% of the award will vest on the third anniversary of the award date
- 25% of the award will vest on the fourth anniversary of the award date

On an annual basis, the Nomination and Remuneration Committee will evaluate the CSP Scheme, Performance Conditions, weightings and thresholds and may make adjustments as the Committee deems appropriate.

A maximum of 10% of the number of Shares in issue shall be reserved for staff incentive schemes, 7% of which will be reserved for the CSP and 3% of which will be reserved for the SAR. The maximum number of shares allocated to any single participant in the CSP Scheme shall not exceed 4% of the number of issued shares.

Long4Life also aims to implement a long-term incentive scheme for other employees in order to align the interest of such employee's with the Shareholders. In this regard, the Company will adopt a Share Appreciation Rights Plan (SAR) for such employees under which participants are awarded Shares based on the upward movement in the Share price over a defined period. The Nomination and Remuneration Committee will, on the recommendation of the employer company, select qualifying employees and set the performance conditions for such qualifying employees.

### **The salient features of the rules of the CSP and SAR are set out below:**

#### **1. PURPOSE**

The share plans will be primarily used as an incentive to participants to deliver the Group's business strategy over the long-term.

The intent of the share plans is to recognise contributions made by selected employees, and incentivise them to maintain a continuing relationship with the Group by providing them with an opportunity to receive Shares in the Company.

The share plans will incentivise, motivate and retain executives and employees through the award of Conditional Share Awards (under the CSP) and SARs (under the SAR Plan).

- Conditional Share Award: Regular, annual awards, the vesting of which is subject to the satisfaction of performance conditions and the employment condition, in line with the Company's business strategy.
- SARs: Regular, annual awards of rights to receive Shares equal to the increase in the value of a certain number of Shares between the award date and the exercise date, the vesting of which is subject to the satisfaction of the employment condition.

The performance condition(s) applicable to the Conditional Share Awards and SARs are approved by the Remuneration Committee and specifically included in the award letter. The employment condition is the requirement for continued employment of the participant by the Company for the duration of a certain number of years from the date of the award, subject to the rules of the relevant scheme.

#### **2. PARTICIPANTS**

##### **2.1 CSP**

Eligible employees will include any person holding full-time permanent salaried executive office of the Company or any member of the Group.

The Remuneration Committee may from time to time call upon the Company to nominate employees for participation in the CSP.

##### **2.2 SAR Plan**

Eligible employees will include employees of any employer company (being a member of the Group) and the Company.

The Remuneration Committee may from time to time call upon any employer company and the Company to nominate employees for participation in the SAR Plan.

Participation in the share plans is not a condition of employment, and the Remuneration Committee retains absolute discretion regarding the making of an award to any employee in terms of the share plans.

### 3. **RIGHTS OF PARTICIPANTS**

Under the share plans, participants will not be entitled to any shareholder rights before the settlement of the Shares. In the case of SARs, settlement would only be after the exercise of the SARs (which can only occur after vesting date) and for Conditional Share Awards, on the vesting date.

### 4. **BASIS OF AWARDS AND AWARD LEVELS**

In line with the requirements of the King Code and best practice, regular annual awards of Conditional Share Awards and SARs will be made on a consistent basis to ensure long-term shareholder value creation.

The number of annual Conditional Share Awards and SARs awarded to participants will primarily be based on the participant's annual salary, grade, performance, retention and attraction considerations, as well as market benchmarks.

The award levels will be decided by the Remuneration Committee each time that awards are granted, by taking into account the particular circumstances at that time e.g. Company affordability, retention considerations and Company performance. Annual allocations will be benchmarked and set to a market related level of remuneration whilst considering the overall affordability thereof to the Company.

### 5. **PERFORMANCE CONDITIONS AND VESTING**

Conditional Share Awards will be subject to the fulfilment of both the pre-determined performance conditions and the employment condition over a employment period of three years, for vesting of 75% to occur and a period of four years, for the remaining 25% to occur.

The Remuneration Committee will set appropriate performance conditions, performance periods, employment conditions and employment periods, as relevant, for each award, taking into account the business environment at the time of making the awards, and where considered necessary, in consultation with shareholders. These will be agreed upon with the participant in terms of the award letter.

SARs will be subject to the fulfilment of pre-determined performance conditions. Vesting of SARs will take place as determined by the Nomination and Remuneration Committee and specified in the award letter and will further be subject to the continued employment of the participants for the employment period. Once vested, SARs can be exercised for a time period as determined by the Nomination and Remuneration Committee post the award date. SARs not exercised within this period will lapse.

### 6. **MANNER OF SETTLEMENT**

The rules of the share plans are flexible in order to allow for settlement in any of the following manners:

- by way of a market purchase of Shares;
- use of treasury Shares; or
- issue of Shares.

The exact method of settlement will be determined by the Remuneration Committee.

### 7. **LIMITS AND ADJUSTMENTS**

The maximum number of Shares which may at any one time be allocated under the CSP and SAR Plan shall not exceed 40 500 000 Shares, which represents approximately 10% of the number of issued Shares as at the Listing Date. This is in line with market best practice.

Shares issued by the Company or Shares held in treasury which are used to settle awards under the CSP and SAR Plan, will be included in the Company limit. Awards made under the share plans, which do not result in the settlement of Shares to a participant as a result of the forfeiture thereof, will be excluded in calculating the Company limit. Similarly, any Shares purchased in the market in settlement of the share plans will be excluded. The Remuneration Committee must, where required, adjust the Company limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the Shares of the Company.

The issue of Shares as consideration for an acquisition, and the issue of Shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Company or Individual Limit. Awards under the CSP or SAR Plan which are not subsequently settled to a participant as a result of the forfeiture thereof will revert back to the CSP or SAR Plan, as relevant.

The maximum number of Shares which may be allocated to an individual in respect of all unvested awards under the SAR Plan and CSP may not exceed 4% of the number of issued Shares as at Listing Date. The Remuneration Committee may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the Company. Such adjustment should give a participant entitlement to the same proportion of equity capital as that to which he was previously entitled.

The auditors, or other independent adviser acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the share plan and must be reported on in the Company's financial statements in the year during which the adjustment is made.

## 8. **CONSIDERATION**

The participant will give no consideration for the award, exercise (in the case of SARs) or settlement of SARs or Shares under either the CSP or SAR Plan.

## 9. **TERMINATION OF EMPLOYMENT**

### 9.1 **Resignation, dismissal and/or abscondment**

Participants terminating employment due to resignation, dismissal or abscondment will forfeit all unvested Conditional Share Awards, unless otherwise determined by the Remuneration Committee. The discretion of the Remuneration Committee will be limited to the vesting of a *pro rata* portion of the awards, reflecting the number of months served since the award date and, in the opinion of the Remuneration Committee, the extent to which the Performance Conditions have been satisfied.

For participants who resign, all vested SARs must be exercised on or before the date of termination of employment and to the extent that they have not been so exercised on the date of termination of employment they will be forfeited. Terminating employment due to resignation, dismissal or abscondment will result in the immediate forfeiture of all vested but unexercised SARs. All unvested SARs will be forfeited on the date of termination of employment, unless the Remuneration Committee in their absolute discretion determines otherwise. The discretion of the Remuneration Committee will be limited to the vesting of a *pro rata* portion of the SARs, reflecting the number of months served since the award date and, in the opinion of the Remuneration Committee, the extent to which the Performance Conditions have been satisfied (if applicable).

### 9.2 **Death, redundancy, medical disability or retirement**

As result of a participant ceasing to be employed by the Company due to death, redundancy, medical disability or retirement:

- in terms of a Conditional Share Award, a portion of the unvested award(s) shall vest on date of termination of employment or the date as soon as reasonably possible thereafter when the Remuneration Committee has determined the extent to which the performance conditions, if applicable, have been met. The remainder of the award will lapse.
- in terms of SARs:
  - vested but unexercised SARs on the date of termination of employment may be exercised by the Participant within a period of six months following the date of termination of employment;
  - a *pro rata* portion of an award shall vest in respect of unvested SARs on the Termination Date or the date as soon as reasonably possible thereafter when the Remuneration Committee has determined the extent to which the performance conditions, if applicable, have been met. The remainder of the award will lapse.

### 9.3 **Mutual termination of fixed-term contract**

Where a Participant is employed by the Group on a fixed-term contract and such employment is terminated before the vesting date by mutual consent between such Participant and the Group, the Remuneration Committee could in its absolute discretion allow the Participant to continue to participate in the CSP and/or SAR Plan as if his employment was not terminated; or determine the extent to which the Performance Condition(s) have been satisfied and early Vest the award.

## 10. RECONSTRUCTION OR TAKEOVER

In the event of a Reconstruction or Takeover of the Company occurring before the vesting date, resulting in the CSP and SAR Plan being terminated and/or termination of the employment of one or more or all of the Participants by the Company, the Remuneration Committee shall calculate the number of Shares to vest in each participant affected thereby.

The portion of the award which does not vest as a result of the Reconstruction or Takeover will, except on the termination of the CSP or SAR Plan, continue to be subject to the terms of the award letter, unless the Remuneration Committee determines otherwise.

Awards will not vest as a consequence of an internal reconstruction or similar event which is not a change of control as defined in the rules of the share plans. In this case the Remuneration Committee shall make such adjustment to the number of awards or convert awards into awards in respect of Shares in one or more of the other companies, provided the participants are no worse off.

## 11. VARIATION OF SHARE CAPITAL

In the event of a rights issue, capitalisation issue or any other corporate action or other event reducing or otherwise affecting the stated capital of the Company (including a subdivision or consolidation), a demerger (in whatever form), or the Company making a Distribution to its shareholders (including a Distribution *in specie*) (other than a dividend paid in the ordinary course of business out of distributable reserves) before the vesting date in respect of an award, the Participant shall continue to participate in the CSP and SAR Plan, but the Remuneration Committee may make such adjustment to the number of Shares comprised in the unvested awards as would give a participant the same proportion of the Company's equity capital as that to which he would have been entitled to prior to the adjustment.

The issuing of Shares as consideration for an acquisition, and the issuing of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the awards.

## 12. LIQUIDATION

If the Company is placed into liquidation, other than for purposes of reorganisation, an award shall *ipso facto* lapse as from the date of liquidation.

## 13. AMENDMENT

The Remuneration Committee may alter or vary the rules of the share plans as it sees fit (subject to JSE approval), however, in the following instances the rules may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the CSP or SAR Plan;
- the number of Shares which may be utilised for the purpose of the CSP or SAR Plan;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, settlement or vesting of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company;
- the adjustment of awards in the event of a variation of capital of the Company or a change of control of the Company; and
- the procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

## 14. GENERAL

The rules of the CSP and SAR Plan are available for inspection from 31 March 2017 to 7 April 2017 at the Company's registered office as set out on the Corporate Information page of the pre-listing statement.

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## SHAREHOLDER RESOLUTION

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Set out below is the list of shareholder resolutions passed on 28 March 2017 and 29 March 2017.

### SHAREHOLDER RESOLUTIONS

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#### Special resolutions

Special Resolution Number 1:	Issue of shares to B Joffe, a person related or inter-related to the company
Special Resolution Number 2:	Issue of shares to L & C Datnow Family Trust, a person related or inter-related to a director
Special Resolution Number 3:	Issue of shares to G Dempster, a person related or inter-related to the company
Special Resolution Number 4:	Issue of shares to the Abdool Samad Family Trust, a person related or inter-related to a director
Special Resolution Number 5:	Issue of shares to B Joffe, a person related or inter-related to the company pursuant to his executive services agreement
Special Resolution Number 6:	Issue of shares equal to or in excess of 30% of the voting power
Special Resolution Number 7:	Approval of Non-Executive Directors' Remuneration
Special Resolution Number 8:	General authority to provide financial assistance under section 44 and 45 of the Companies Act
Special Resolution Number 9:	Approval of the Long4Life Conditional Share Plan
Special Resolution Number 10:	Approval of the Long4Life Share Appreciation Rights Plan
Special Resolution Number 11:	Allotment and issue of shares to executive directors in respect of the CSP
Special Resolution Number 12:	Allotment and issue of shares to directors and prescribed officers in respect of the SAR
Special Resolution Number 13:	Issue of shares pursuant to the Sorbet Transaction
Special Resolution Number 14:	Share Repurchases (general)
Special Resolution Number 15:	Allotment and issue of initial allocation of Shares to B Joffe in terms of of the CSP

#### Ordinary resolutions

Ordinary Resolution Number 1:	Election of Audit and Risk Committee Members
Ordinary Resolution Number 2:	Election of Social and Ethics Committee Members
Ordinary Resolution Number 3:	Appointment of Company Secretary
Ordinary Resolution Number 4:	Authority to issue shares: listing, share schemes, executive services agreement and Sorbet Transaction
Ordinary Resolution Number 5:	General authority to issue shares for cash
Ordinary Resolution Number 6:	Placing authorised but unissued shares under the control of directors
Ordinary Resolution Number 7:	Directors' authority to implement special and ordinary resolutions







