

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this cover page.

ACTION REQUIRED:

This entire Circular is important and should be read with particular attention to the section entitled "Action Required by Shareholders" on page 3 of this Circular.

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, accountant, legal adviser or any other professional adviser immediately.

If you have disposed of all of your PBT Shares, please forward this Circular to the purchaser of such Shares or to the broker, CSDP, banker or agent through whom the disposal was effected.

PBT does not accept any responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify a Dematerialised Shareholder of the information in this Circular.



PBT GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1936/008278/06)

Share Code: PBG

ISIN: ZAE000256319

CIRCULAR TO SHAREHOLDERS

Regarding

- a Tender Offer to repurchase up to a maximum of 5 384 254 Shares, constituting up to 4.99999% of the issued shares of the Company, from Shareholders, on a *pro rata* basis;

and incorporating

- a Form of Election and Surrender (for use by Certificated Shareholders only).

Transaction Adviser and Sponsor



Date of issue: Thursday, 27 February 2020

CORPORATE INFORMATION

Directors

Tony Taylor (Chairman)*#

Pierre de Wet (Chief Executive Officer)

Murray Louw (Financial Director)

Arthur Winkler*#

Cheree Dyers*#

Herman Steyn*

* *non-executive*

independent

Company secretary and registered office

B Pieters

PBT House

2 Mews Close

Waterford Mews

Century City, 7441

South Africa

(PO Box 276, Century City, 7446, South Africa)

Date of incorporation

8 July 1936

Place of incorporation

South Africa

Transfer Secretaries

Link Market Services South Africa Proprietary Limited

(Registration number 2000/007239/07)

13th Floor, 19 Ameshoff Street

Braamfontein, 2001

South Africa

(PO Box 4844, Johannesburg, 2000, South Africa)

Transaction Adviser and Sponsor

Sasfin Capital Proprietary Limited

(A member of the Sasfin Group)

(Registration number 1997/013153/07)

29 Scott Street

Waverley, 2090

Johannesburg

South Africa

(PO Box 95104, Grant Park 2051, South Africa)

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply to this section headed “Action Required by Shareholders”.

This Circular is important and requires your immediate attention. The action you need to take, is set out below. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, accountant or other professional adviser immediately. If you have disposed of all of your PBT Shares, this Circular should be handed to the purchaser to whom, or the CSDP, broker or other agent through whom, the disposal was effected.

ACTION REQUIRED BY SHAREHOLDERS

PBT is extending a Tender Offer on a *pro rata* basis. If you do not make an election to sell your Shares, your shareholding will remain unchanged. Shareholders are entitled to sell Shares up to their Basic Entitlement in the Tender Offer. In addition, Shareholders are entitled to sell additional Shares held on the Record Date in excess of their Basic Entitlement to the extent that other Shareholders tender less than their Basic Entitlement. Any such excess tenders will be satisfied, on a *pro rata* basis, in proportion to the amount tendered in excess of the Basic Entitlement (rounded down to the nearest whole number of Shares), subject to the Tender Offer Limit.

Shareholders should note that the Tender Offer opens at 09:00am on Thursday, 27 February 2020 and closes at 12:00pm on Friday, 20 March 2020.

1. CERTIFICATED SHAREHOLDERS

- 1.1 You may elect to sell your Shares to PBT by completing the Form of Election and Surrender for the Tender Offer and returning it to Link Market Services at the address set out in that form to be received by no later than 12:00pm on Friday, 20 March 2020.
- 1.2 Certificated Shareholders should also return their share certificate(s) and/or Documents of Title in respect of the Shares tendered.
- 1.3 If any Documents of Title of Certificated Shareholders have been lost or destroyed and the Certificated Shareholder concerned produces evidence to this effect to the satisfaction of Link Market Services and PBT, then Link Market Services, subject to obtaining PBT's consent, may dispense with the surrender of such existing Documents of Title against provision of an acceptable indemnity.

2. DEMATERIALIZED SHAREHOLDERS WITH OR WITHOUT OWN NAME REGISTRATION

- 2.1 Your CSDP or broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP or broker to ascertain what choice you wish to make in terms of the Tender Offer and thereafter to advise Link Market Services of such choice.
- 2.2 If you have not been contacted, you should contact your CSDP or broker and furnish it with your instructions relating to your choice.
- 2.3 If your CSDP or broker does not obtain instructions from you regarding your choice, it will be obliged to act in accordance with the provisions contained in the agreement concluded between you and your CSDP or broker.
- 2.4 You must NOT complete the Form of Election and Surrender.

3. FRACTIONS

No fraction of a Share will be acquired in the Tender Offer. Accordingly, your Basic Entitlement will be rounded down to the nearest whole number, resulting in whole Shares being acquired only.

IMPORTANT DATES AND TIMES

2020

Record date to determine which Shareholders are entitled to receive the Circular	Friday, 21 February
Circular incorporating the Form of Election and Surrender to be posted to Shareholders on	Thursday, 27 February
Tender Offer opens at 09:00am on	Thursday, 27 February
Distribution of Circular incorporating the Form of Election and Surrender to be announced on SENS	Thursday, 27 February
Distribution of Circular incorporating the Form of Election and Surrender to be announced in the press	Friday, 28 February
Last day to trade in order to participate in the Tender Offer	Tuesday, 17 March
Shares trade “ex” the Tender Offer on	Wednesday, 18 March
Forms of Election and Surrender to be received by Link Market Services by 12:00pm on	Friday, 20 March
Tender Offer closes at 12:00pm on	Friday, 20 March
Record date to determine which Shareholders are entitled to participate in the Tender Offer at close of business on	Friday, 20 March
Dematerialised Shareholders who have accepted the Tender Offer will have their accounts held at their CSDP or broker credited with the Tender Offer Price on	Monday, 23 March
Payments of the Tender Offer Price to Certificated Shareholders on	Monday, 23 March
Results of the Tender Offer released on SENS on	Monday, 23 March
Results of the Tender Offer published in the press on	Tuesday, 24 March
Cancellation and termination of listing of PBT Shares repurchased in terms of the Tender Offer expected on or about	Friday, 27 March

Notes:

1. The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to the information on important dates and times.
2. The above dates and times are subject to amendment. Any such amendment will be published on SENS and in the press. All times given in this Circular are local times in South Africa.
3. Dematerialised Shareholders are requested to notify their duly appointed CSDP or broker of their election by the cut-off time stipulated by their CSDP or broker. This will be an earlier date than the closing of the Tender Offer.
4. Where Certificated Shareholders choose to accept the Tender Offer, payment will be made by electronic funds transfer into the bank accounts of the Certificated Shareholder on or about Monday, 23 March 2020, if such Shareholders’ banking details have been provided in the relevant Form of Election and Surrender. The Company has discontinued payments by cheque and payment to Certificated Shareholders is dependent on Link Market Services being in possession of such Certificated Shareholders’ banking details.
5. Shareholders may not Dematerialise or rematerialise their Shares between Wednesday, 18 March 2020 and Friday, 20 March 2020, both dates inclusive.
6. This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of PBT and from the offices of Sasfin Capital, whose addresses are set out in the “Corporate Information” section of this Circular, from Thursday, 27 February 2020 until Friday, 20 March 2020 (both days inclusive). A copy of this Circular will also be available on PBT’s website (www.pbtgroup.co.za) from Thursday, 27 February 2020.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context otherwise clearly indicates, the words in the first column shall have the meaning stated opposite them in the second column. Words in the singular shall include the plural and *vice versa*; words signifying any one gender shall include the other genders, and references to natural persons shall include juristic persons and associations of persons:

“Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Basic Entitlement”	the entitlement of each Shareholder to sell up to 4.99999% of the Shares registered in such Shareholder’s name on the Record Date rounded down to the nearest whole number;
“Board” or “Directors”	the current board of directors of PBT, whose names appear on page 7 of this Circular;
“Certificated Shareholders”	Shareholders holding Certificated Shares;
“Certificated Shares”	PBT Shares held in the form of certificates or other documents of title and which have not yet been surrendered for dematerialisation in terms of Strate;
“Circular”	this circular to Shareholders, dated Thursday, 27 February 2020, together with any annexures thereto, including the Form of Election and Surrender;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini;
“CSDP”	a Central Securities Depository Participant registered as a participant in terms of the Securities Services Act and licensed as a central securities depository under the Financial Markets Act, 2012 (Act 19 of 2012);
“Dematerialised”	the process whereby paper share certificates or other documents of title are replaced with electronic records of ownership of shares or uncertificated securities as contemplated in section 49 of the Act under the Strate system with a CSDP or broker;
“Dematerialised Shares”	Shares which have been Dematerialised and incorporated into Strate and which are no longer evidenced by share certificates or other physical Documents of Title;
“Dematerialised Shareholders”	Shareholders holding Dematerialised Shares;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Shares acceptable to the Board;
“Exchange Control Regulations”	the Exchange Control Regulations (1961), as amended, issued in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“FICA”	the Financial Intelligence Centre Act, 2001 (Act 38 of 2001);
“Form of Election and Surrender”	form of election and surrender for the Tender Offer, for use by Certificated Shareholders in order for such Shareholders to sell their Shares in the Tender Offer;
“Group”	PBT and its subsidiaries;
“Income Tax Act”	the Income Tax Act, 1962 (Act 58 of 1962);
“JSE”	JSE Limited, a public company duly registered and incorporated with limited liability under the company laws of South Africa under registration number 2005/022939/06, licensed as an exchange under the Financial Markets Act, 2012 (Act 19 of 2012);
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, which date was Monday, 24 February 2020;
“Link Market Services”	Link Market Services Investor Services Proprietary Limited (registration number 2000/007239/07), a limited liability private company incorporated in accordance with the laws of South Africa, the transfer secretaries of PBT;

“PBT” or “the Company”	PBT Group Limited, (registration number 1936/008278/06), a public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the Main Board of the JSE;
“Record Date”	the record date of the Tender Offer, being Friday, 20 March 2020;
“Shares”	ordinary no par value shares in PBT’s share capital, which are listed on the JSE;
“Shareholders”	all registered holders of Shares;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa, the company operating the electronic settlement system for transactions that take place on the JSE and off-market transactions;
“Tender Offer”	the voluntary offer by PBT to Shareholders to repurchase a number of Shares up to the Tender Offer Limit from Shareholders on a <i>pro rata</i> basis, at the Tender Offer Price, subject to the terms and conditions set out in paragraph 2 of this Circular;
“Tender Offer Limit”	the maximum amount of Shares that may be repurchased in terms of the Tender Offer, being 5 384 254 Shares, which constitutes up to 4.99999% of the issued Shares of the Company;
“Tender Offer Price”	means 215 cents per Share, the price at which PBT will repurchase the Shares in terms of the Tender Offer, being the volume weighted average traded price of 201,7 cents per Share for the 30 trading days ending Tuesday, 18 February 2020, plus a premium of 6.6%.



PBT GROUP LIMITED

(Incorporated in the Republic of South Africa)

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Share Code: PBG

ISIN: ZAE000256319

Directors:

Tony Taylor (Chairman)*#

Pierre de Wet (Chief Executive Officer)

Murray Louw (Financial Director)

Arthur Winkler*#

Cheree Dyers*#

Herman Steyn*

* *non-executive*

independent

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

- 1.1 PBT, over an extended period of time, has experienced low levels of liquidity in the trading of its shares. The Board has, after considering several options, resolved to embark on the Tender Offer in order to provide Shareholders wishing to dispose of some or all of their Shares with a liquidity event. The Tender Offer will reduce the Company's administrative costs, in the event and to the extent that Shareholders sell all of their Shares. PBT will bear the transfer costs in respect of Shareholders accepting the Tender Offer, thereby enabling Shareholders to dispose of their shareholding in a cost-effective manner. Concomitantly the Tender Offer will enhance Shareholder value for those Shareholders that do not accept the Tender Offer.
- 1.2 The purpose of this Circular is to furnish Shareholders with all the relevant information relating to the Tender Offer in accordance with the Companies Act and the Listings Requirements (to the extent required).

2. THE TENDER OFFER

2.1 Terms of the Tender Offer

- 2.1.1 Subject to paragraph 2.1.2 below, PBT is extending the Tender Offer to all Shareholders to acquire some or all of their Shares, on a *pro rata* basis, at the Tender Offer Price.
- 2.1.2 Shareholders are entitled to sell their Basic Entitlement to PBT in terms of the Tender Offer. In addition, Shareholders are entitled to sell additional Shares held by them on the Record Date in excess of their Basic Entitlement to the extent that other Shareholders tender less than their Basic Entitlement. Any such excess tenders will be satisfied, on a *pro rata* basis, in proportion to all amounts tendered in excess of the Basic Entitlement (rounded down to the nearest whole number of Shares), subject to the Tender Offer Limit.
- 2.1.3 Shareholders who do not make an election to tender their Shares will retain their shareholding in PBT.

2.2 Salient dates of the Tender Offer

- 2.2.1 The Record Date is the close of business on Friday, 20 March 2020. All Shareholders that are recorded in the register of Shareholders at close of business on the Record Date are entitled to take part in the Tender Offer. No further documentation will be sent to Shareholders in this regard.
- 2.2.2 The last date to trade in order to take part in the Tender Offer will be Tuesday, 17 March 2020.
- 2.2.3 Shareholders should note that, as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three South African business days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 17 March 2020 will not be entitled to participate in the Tender Offer.

2.3 Tender Offer Price

The Tender Offer Price of 215 cents per Share was calculated using the volume weighted average traded price of 201.7 cents per Share for the 30 trading days ending Tuesday, 18 February 2020, plus a 6.6% premium. The Tender Offer Price will be settled in cash on Monday, 23 March 2020.

2.4 Fractions

No fraction of a Share will be acquired in terms of the Tender Offer. Accordingly, each Shareholder's Basic Entitlement will be rounded down to the nearest whole number, resulting in whole Shares being acquired only.

2.5 Transaction costs

Shareholders will not bear any transaction costs as the transfer costs of Shareholders who sell all or part of their shareholding in terms of the Tender Offer will be borne by PBT.

2.6 Taxation

The following paragraphs are a general guide only and are not intended to be, and should not be considered to constitute, a comprehensive analysis of the taxation consequences of the Tender Offer, or legal or taxation advice, for Shareholders in terms of South African taxation law. PBT and its advisers cannot be held responsible for the taxation consequences that the Tender Offer may have for individual Shareholders and therefore Shareholders are advised to consult their own tax advisers if they are in any doubt about their tax position regarding the Tender Offer.

2.6.1 The Tender Offer Price payable to Shareholders will qualify as a "dividend" as defined in section 1 of the Income Tax Act and will therefore give rise to the obligation to pay dividends tax in accordance with the Income Tax Act in cases where any Shareholder does not qualify for an exemption from this dividends tax.

2.6.2 In the event that any Shareholder does not qualify for an exemption from the dividends tax, 20% will be withheld from the Tender Offer Price in respect of that Shareholder in order to make payment of the applicable dividends tax.

2.6.3 Accepting the Tender Offer may result in a capital gain or a capital loss. We therefore recommend that Shareholders discuss all tax consequences of the Tender Offer with their tax advisers.

2.7 Offer Mechanism

2.7.1 The Tender Offer opens for acceptance at 09:00am on Thursday, 27 February 2020 and will close at 12:00pm on Friday, 20 March 2020. All Shareholders recorded in the register of Shareholders at close of business on the Record Date will be entitled to take part in the Tender Offer. The procedure on how such Shareholders may participate in the Tender Offer is set out in paragraph 2.8 below.

2.7.2 The Shares of those Shareholders who choose to sell some or all of their Shares in the Tender Offer, will be repurchased by PBT at the Tender Offer Price, on a pro rata basis, on the terms and conditions set out in paragraph 2.1.2 above.

2.7.3 Shareholders who do not make an election will retain their shareholding in PBT.

2.8 Election and surrender procedure

2.8.1 Shareholders may elect to sell some or all of their Shares in the Tender Offer at the Tender Offer Price. Shareholders who do not make an election will retain their existing shareholding in PBT. The election made by Shareholders will be final and irrevocable and may not be withdrawn once made.

2.8.2 Dematerialised Shareholders must NOT return the Form of Election and Surrender attached to this Circular to Link Market Services, but should instruct their CSDP or broker as to what action they wish to take in terms of the agreement entered into between them and their CSDP or broker.

2.8.3 Certificated Shareholders must complete the attached Form of Election and Surrender and return it to Link Market Services, to be received by no later than 12:00pm on Friday, 20 March 2020.

2.8.4 Certificated Shareholders who have elected to sell some or all of their Shares in the Tender Offer should submit all existing Documents of Title under cover of the attached Form of Election and Surrender to Link Market Services.

2.8.5 If any Documents of Title of Certificated Shareholders have been lost or destroyed and the Shareholder concerned produces evidence to this effect to the satisfaction of Link Market Services and PBT, then Link Market Services, subject to PBT's consent, may dispense with the surrender of such existing Documents of Title against provision of an acceptable indemnity.

2.8.6 In compliance with the Listings Requirements, lodging agents are requested to prepare special transaction receipts, if required. Receipts for the surrender of Documents of Title of Certificated Shareholders will be issued only on request.

- 2.8.7 Nominee companies will be treated as a single Shareholder, but should a nominee company choose to dispose of some or all of the Shares on behalf of principals, it may do so by applying in writing to Link Market Services, giving details of the number of Shares involved, such application to be received by no later than 12:00pm on Friday, 20 March 2020.
- 2.8.8 All Forms of Election and Surrender, received by Link Market Services by no later than 12:00pm on Friday, 20 March 2020, will be processed and payment will be made by electronic funds transfers into the Certificated Shareholders' bank accounts on or about Monday, 23 March 2020, if such Shareholders have provided the banking details on the Form of Election and Surrender. Payment to Certificated Shareholders will depend on Link Market Services being in possession of a Certificated Shareholder's banking details.
- 2.8.9 Dematerialised Shareholders who elect to sell some or all of their Shares in the Tender Offer, will have their accounts held at their CSDP or broker credited with the cash amount on or about Monday, 23 March 2020.

2.9 Financial effects and funding of the Tender Offer

- 2.9.1 Should the maximum number of 5 384 254 Shares be repurchased in terms of the Tender Offer, the effect will be to reduce PBT's issued share capital by 4.99999%, which will enhance the Company's earnings per Share and headline earnings per Share. Due to the payment of the Tender Offer Price in cash and the concomitant reduction in Shareholders' equity the effect on the net asset value per Share and tangible net asset value per Share will not be material.
- 2.9.2 On the assumption that the maximum number of 5 384 254 Shares are tendered for repurchase in terms of the Tender Offer, the cost of such repurchase will be approximately R11 576 146.10 in respect of the Tender Offer Price payable and approximately R153 000 in respect of transaction costs.
- 2.9.3 PBT will utilise existing cash resources for all costs incurred in respect of the Tender Offer.

2.10 Solvency and Liquidity and working capital statement

- 2.10.1 The Directors are of the opinion that the working capital available to PBT subsequent to the Tender Offer is adequate for the requirements of the Company and its subsidiaries (hereinafter referred to as the "Group") for a period of 12 months from the date of issue of this Circular. Having considered the effect of the Tender Offer, the Directors are of the opinion that:
- 2.10.1.1 the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the approval of the Circular;
- 2.10.1.2 the assets of the Group will be in excess of the liabilities of the Group for a period of 12 months after the date of the approval of the Circular. For this purpose, assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;
- 2.10.1.3 the share capital and reserves of the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular; and
- 2.10.1.4 working capital of the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular.
- 2.10.2 The Board has authorised the Tender Offer by resolution and the Board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Act, and reasonably concluded that the Company and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the Tender Offer.
- 2.10.3 Since the solvency and liquidity test was performed, there have been no material changes to the financial position of the Group.

2.11 Jurisdiction

- 2.11.1 All transactions arising from the provisions of this Circular shall be governed by and be subject to the laws of South Africa. The Tender Offer may be affected by the laws of the relevant jurisdictions of foreign Shareholders. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them.
- 2.11.2 The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.
- 2.11.3 It is the responsibility of any foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Tender Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required,

the compliance with other necessary formalities, or the payment of any issue, transfer or other taxes or requisite payments due in such jurisdiction. The Tender Offer is further subject to any other applicable laws and regulations, including the Exchange Control Regulations. Any foreign Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction.

2.12 Exchange Control Regulations

The following summary of the Exchange Control Regulations is intended as a guide only and is not a comprehensive representation of the Exchange Control Regulations which may apply to Shareholders. Shareholders who believe that Exchange Control Regulations may be applicable to them should contact their professional advisers.

2.12.1 Emigrants from the Common Monetary Area:

2.12.1.1 The Tender Offer Price is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations. The Tender Offer Price due to a Shareholder who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the Shareholder's authorised dealer in foreign exchange in South Africa (controlling the Shareholder's blocked assets in accordance with his instructions), against delivery of the relevant Documents of Title.

2.12.1.2 The authorised dealer releasing the relevant Documents of Title in terms of the Tender Offer must countersign the attached Form of Election and Surrender, thereby indicating that the Tender Offer Price will be placed directly in its control.

2.12.1.3 The attached Form of Election and Surrender makes provision for the details of the authorised dealer concerned to be provided.

2.12.2 All other non-residents of the Common Monetary Area:

2.12.2.1 The Tender Offer Price due to an "own name" Shareholder who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Shareholder. It will be incumbent on the Shareholder concerned to instruct the nominated authorised dealer as to the disposal of the Tender Offer Price against delivery of the relevant Documents of Title.

2.12.2.2 The Form of Election and Surrender attached to this Circular makes provision for the nomination required in terms of paragraph 2.12.2.1 above. If the information regarding the authorised dealer is not given in terms of paragraph 2.12.2.1 above, the Tender Offer Price paid will be held in trust by PBT for the Shareholder concerned pending receipt of the necessary information or instruction.

2.12.2.3 All CSDPs and brokers with whom Shares have been Dematerialised should note that they are required to comply with the Exchange Control Regulations set out above.

2.13 Prohibited period

PBT will not undertake the Tender Offer during a prohibited period as defined in the Listings Requirements.

2.14 Memorandum of Incorporation

The Directors are provided with the authority to repurchase PBT's own Shares in terms of the Tender Offer and in accordance with the Act and the Listings Requirements by the Company's Memorandum of Incorporation.

3. COMPANY INFORMATION

3.1 Material changes

The Directors report that there have been no material changes in the financial or trading position of the Company and its subsidiaries between the date of publication of PBT's last published financial results, being the interim financial statements for the six months ended 30 September 2019 and the Last Practicable Date.

3.2 Share capital

3.2.1 The authorised and issued share capital of PBT before and after the implementation of the Tender Offer is as follows:

Before the Tender Offer	Number of Shares	R
Authorised share capital		
Ordinary shares of no par value ¹	200 000 000	
Stated capital – ordinary shares of no par value	107 685 298	2 021 663 066
Treasury shares ²	1 560 547	2 998 854
After the Tender Offer		
Authorised share capital		
Ordinary shares of no par value	200 000 000	
Stated capital – ordinary shares of no par value	102 301 044 ³	2 010 086 920 ³
Treasury shares ²	1 560 547	2 998 854

Notes:

1. The share capital of the Company was consolidated on the terms set out in the Circulars to Shareholders dated 23 March 2018 and 28 August 2018 with effect from 2 November 2018 on a 10 for 1 basis as authorised by shareholders at the special general meeting held on 28 September 2018.
2. Shares in issue include 1 560 547 Shares (1.45% of Shares in issue before the Tender Offer) held in treasury by Stricklands Tetra Cape Proprietary Limited, a wholly owned subsidiary of the Company as at the Last Practicable Date.
3. Assumes the maximum number of Shares have been repurchased in terms of the Tender Offer.

3.3 Directors' beneficial interests

3.3.1 The Directors and prescribed officers of the Company will not participate in the Tender Offer.

3.3.2 The beneficial interests in Shares held by all the Directors of PBT as at the Last Practicable Date, are set out below:

	Direct beneficial	Indirect beneficial	Total	% before Tender Offer¹	% after Tender Offer²
Tony Taylor	96 479		96 479	0.09	0.09
Pierre de Wet		5 390 000 ³	5 390 000	5.01	5.27
Murray Louw	63 110	1 576 135	1 639 245	1.52	1.60
Cheree Dyers	198 426	5 610 000 ³	5 808 426	5.39	5.68
Herman Steyn	170 132	10 875 562 ⁴	11 045 694	10.26	10.80

1. 107 685 298 Shares in issue including Shares held by subsidiary companies.
2. 102 301 044 Shares in issue including Shares held by subsidiary companies (assumes the maximum number of Shares have been repurchased in terms of the Tender Offer).
3. Shares held in Poppy Ice Trading 23 Proprietary Limited.
4. Shares held in FISC Investment Management.

3.4 Major Shareholders

According to the information available to the Company at the Last Practicable Date, the following PBT Shareholders, other than Directors of the Company, either directly or indirectly, are beneficially interested in 5% or more of the issued share capital of the Company:

Shareholder	Number of shares before Tender Offer	% before Tender Offer¹	% after Tender Offer²
Clearstream Banking SA Luxembourg	16 700 000	15.51	16.32
Spalding Investments 10 Proprietary Limited	10 373 282	9.63	10.14
Seena Marina Financial Services Proprietary Limited	9 920 182	9.21	9.70
Rocklands Group Holdings Proprietary Limited	5 849 544	5.43	5.72

1. 107 685 298 Shares in issue including Shares held by subsidiary companies.
2. 102 301 044 Shares in issue including Shares held by subsidiary companies (assumes the maximum number of Shares have been repurchased in terms of the Tender Offer).

4. EXPENSES

PBT's preliminary expenses relating to the Tender Offer, incurred or expected to be incurred, are anticipated to amount to approximately R153 000, excluding VAT, and include the following:

	R'000
Transaction Adviser and Sponsor fees – Sasfin Capital	35
JSE Documentation inspection fee	20
Transfer secretary fees – Link Market Services	50
Strate fees	21
Printing, Publication and Distribution – GroundPepper	27
Total	153

5. CONFLICTS

Sasfin Capital fulfilled the functions of sponsor and transaction adviser to the Company in respect of the Tender Offer. It is Sasfin Capital's opinion that the performance of these functions in relation to the matters detailed in this Circular does not represent a conflict of interest for Sasfin or impair Sasfin Capital's independence from the Company or its objectivity in its professional dealings with the Company.

6. RESPONSIBILITY STATEMENT

The Directors, whose names are set out in the "Corporate Information" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular which relates to PBT and, in this regard, 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 Circular contains all information required by the Listings Requirements.

7. CONSENT STATEMENT

The sponsor and transaction adviser, Sasfin Capital, has consented in writing to act in the capacity stated and to its name being stated in this Circular and has not withdrawn its consent prior to the issue of this Circular.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of PBT and at the offices of Sasfin Capital at the addresses referred to in the "Corporate Information" section of this Circular, during normal office hours from the date of issue of this Circular until Friday, 20 March 2020:

- 8.1 the Memorandum of Incorporation of PBT;
- 8.2 the audited annual financial statements of PBT for the 2017, 2018 and 2019 financial years; and
- 8.3 a copy of this Circular.

By order of the Board

PJ DE WET

SIGNED IN CAPE TOWN ON THURSDAY, 27 FEBRUARY 2020 BY PJ DE WET ON BEHALF OF ALL OF THE DIRECTORS OF PBT GROUP LIMITED IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS



PBT GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1936/008278/06)

Share Code: PBG

ISIN: ZAE000256319

("PBT" or "the Company")

FORM OF ELECTION AND SURRENDER

Unless specifically defined herein, the definitions and interpretations commencing on page 4 of the Circular to which this Form of Election and Surrender forms part apply, mutatis mutandis, to this Form of Election and Surrender.

For completion by Certificated Shareholders.

Your share certificate must be submitted along with this form.

A separate form is required for each Shareholder.

Instructions:

1. Part 1, part 2 and part 3 must be completed by ALL Shareholders who hold a share certificate in respect of their Shares and who wish to sell SOME or ALL of their Shares in the Tender Offer.
2. Part 4 must ONLY be completed by Shareholders who hold a share certificate, who wish to sell some or all Shares and WHO EMIGRATE FROM OR ARE NON-RESIDENTS OF THE COMMON MONETARY AREA.
3. Additional forms of election and surrender will be available on the Company's website (www.pbtgroup.co.za).
4. ALL Shareholders who complete this Form of Election and Surrender must attach a certified copy of their identity document.
5. All Forms of Election and Surrender must be lodged with Link Market Services at the address set out below, so as to be received by no later than 12:00pm on Friday, 20 March 2020.

<p>To be delivered at:</p> <p>Link Market Services Investor Services Proprietary Limited 13th Floor 19 Ameshoff Street Braamfontein, 2001 South Africa</p>	<p>or posted at the risk of the Shareholder to:</p> <p>Link Market Services Investor Services Proprietary Limited PO Box 4844 Johannesburg, 2000 South Africa</p>
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6. Shareholders who have Dematerialised their Shares must advise their Central Securities Depository Participant ("CSDP") or broker as to the action they wish to take in terms of the agreement entered into between them and their CSDP or broker. Such Shareholders must NOT return this form of election and surrender to Link Market Services.

ALL CERTIFICATED SHAREHOLDERS WHO WISH TO SELL SOME OR ALL OF THEIR SHARES IN TERMS OF THE TENDER OFFER MUST COMPLETE THIS SIGNATURE AND CONTACT DETAILS SECTION

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

PART 1 – To be completed by ALL Certificated Shareholders who wish to sell some or all of their Shares in terms of the Tender Offer.

Shareholders who hold a share certificate in respect of their Shares and who elect to sell their Shares should note that their Shares will be repurchased without any further action on their part and without any further notice to them.

Indicate that you wish to sell your Shares up to your Basic Entitlement by means of an “X” or insert relevant number of Shares if you only wish to sell less than your Basic Entitlement.

I would like to sell all my Shares up to the Basic Entitlement at the Tender Offer Price.

Insert number of Shares if you wish to sell less than your Basic Entitlement.

PART 2 – To be completed by ALL Certificated Shareholders who wish to sell Shares in excess of their Basic Entitlement

Insert number of Shares if you wish to sell Shares in excess of your Basic Entitlement.

If you have elected to sell your Shares, please complete PART 3. The Company has discontinued payments by cheque and, accordingly, payment to Certificated Shareholders are dependent on the Transfer Secretaries being in possession of such Certificated Shareholders’ banking details.

PART 3 – To be completed if you have elected to sell some or all Shares in terms of the Tender Offer

I have a bank account and would like to sell my Shares. Please pay the cash owing to me for purchasing my Shares into the following bank account:

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

NB: In order to comply with FICA requirements, Link Market Services will be unable to record any changes of address or payment mandates unless a certified true copy of the undermentioned documentation is received from the relevant Shareholder:

- (i) a copy of an identification document (in respect of a change of address and payment mandate); and
- (ii) a copy of a bank statement (in respect of a bank mandate).

PART 4 – To be completed by SHAREHOLDERS WHO ARE EMIGRANTS FROM OR NON-RESIDENTS OF THE COMMON MONETARY AREA who wish to sell some or all Shares in terms of the Tender Offer.

Name of authorised dealer
Address
Account number
Stamp and address of agent lodging this form (if any)

Notes:

1. This form is to be used by Shareholders who have not Dematerialised their Shares and who wish to sell some or all of their Shares in terms of the Tender Offer and who are registered as Shareholders as at the close of business on Friday, 20 March 2020.
2. Shareholders who have elected to sell some or all of their Shares in the Tender Offer will have payments for the proceeds of the sale of their Shares processed in the manner set out in paragraph 2.8.8 of the Circular, on or about Monday, 23 March 2020.
3. If this Form of Election and Surrender is signed under a power of attorney, then such power of attorney, or a certified copy of the original, must be sent with this Form of Election and Surrender for noting (unless it has already been noted by PBT or Link Market Services).
4. Where the Shareholder is a company or a close corporation, unless it has already been registered with PBT or Link Market Services, a certified copy of the directors’ or members’ resolution authorising the signing of this Form of Election and Surrender must be submitted if so requested by PBT.
5. Note 4 above does not apply in the event of this Form of Election and Surrender bearing the stamp of a broking member of the JSE.
6. Where there are joint holders of any Shares, only that holder whose name appears first in the register in respect of such Shares need sign this Form of Election and Surrender.
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are required to prepare special transaction receipts.
8. The Directors of PBT reserve the right to accept or reject any Form of Election and Surrender where the Shareholder has not completed all the required information or has not delivered all the required documents to Link Market Services.

