

VUNANI LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/020641/06)

JSE code: VUN

ISIN: ZAE000163382

("Vunani")

VUNANI UNBUNDLING OF VCP SHARES: APPORTIONMENT OF TAX COST FOR SOUTH AFRICAN TAX PURPOSES

1. Introduction

Shareholders ("Shareholders") are referred to the circular ("Circular") posted on Monday, 30 November 2020 in respect of the VCP Unbundling from which the defined terms as utilised below have been extracted from, unless specified otherwise.

Shareholders are further referred to the finalisation announcement released on SENS on 1 February 2020 confirming that the conditions precedent to the implementation of the VCP Unbundling had been met and that implementation will occur in accordance with the announced timeline.

Shareholders are reminded that the VCP Unbundling will be executed by Vunani using a distribution ratio of 1:1 meaning that for every 1 Vunani Share held on the VCP Unbundling Record Date, a Shareholder will receive 1 VCP Share.

2. Purpose of the announcement

The purpose of this announcement is to advise Vunani shareholders of the ratio in which the expenditure incurred and / or the market value (for purposes of paragraph 29 of the Eighth Schedule to the Income Tax Act) ("**Market Value**") in respect of the Vunani Shares must be apportioned between the Vunani Shares and the unbundled VCP Shares for South African taxation purposes ("**Apportionment Ratio**").

5. Apportionment Ratio calculation

Vunani shareholders are hereby advised that the Apportionment Ratio is based on the closing price of 250 cents per Vunani Share on Wednesday, 10 February 2021 and 80.47 cents per VCP Share, which value represents the Market Value of VCP.

The Apportionment Ratio applicable to the VCP Shares has therefore been calculated as follows:

Apportionment Ratio = $(A / (A + B))$

Where -

A = the calculated price of a VCP Share x the unbundling ratio of 1:1, i.e. ZAR0.8047 (being ZAR 0.8047 x 1.0);

B = the closing price of a Vunani Share, i.e. ZAR2.50

= $(ZAR0.8047 / (ZAR0.8047 + ZAR2.50))$

= 24.35%

Shareholders are hereby advised that the expenditure incurred and/or Market Value, as the case may be, in respect of Vunani Shares must therefore be apportioned in the ratio of 24.35% to a VCP Share and 75.65% to a Vunani Share.

Sandton

10 February 2021

Corporate Adviser

Vunani Corporate Finance

Sponsor

Grindrod Bank Limited