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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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The definitions and interpretations commencing on page 21 of this Circular apply, *mutatis mutandis*, throughout this Circular, including this cover page (unless the context indicates otherwise).

### Action required

- This Circular is important and should be read in its entirety. Moreover, Cartrack Shareholders are referred to the section titled: “*Action required by Cartrack Shareholders*” commencing on page 6 of this Circular, which sets forth the detailed actions required of them in respect of the matters dealt with in this Circular.
- If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, accountant, legal advisor or other professional advisor immediately.
- If you have disposed of all your Cartrack Shares on or before Friday, 08 January 2021, please forward this Circular to the purchaser of such Cartrack Shares or to the CSDP, Broker, legal advisor, accountant, banker, or other agent through whom the disposal was effected.

**The Independent Board and the Cartrack Board do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failures on the part of the CSDP or Broker of any Beneficial Owner of the Cartrack Shares to notify such Beneficial Owner of the details set out in this Circular or to take any action on behalf of such Beneficial Owner.**

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**CARTRACK HOLDINGS LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration Number: 2005/036316/06)  
(JSE share code: CTK ISIN: ZAE000198305)  
 (“Cartrack” or “Company”)

**KAROO000**

**KAROO000 PTE. LTD.**  
(previously known as Karoo Pte. Ltd.)  
(Incorporated in Singapore)  
(Unique Entity Number: 201817157Z)  
 (“Karoo000”)

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## COMBINED CIRCULAR TO CARTRACK SHAREHOLDERS

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relating to:

- **The Scheme of Arrangement**
  - a cash offer by Karoo000 (the controlling shareholder of Cartrack holding 67.78% (sixty seven point seven eight percent) of the issued shares of Cartrack and which is wholly owned by Mr Isaias Jose “Zak” Calisto, the founder and Group Chief Executive Officer of the Cartrack Group) to acquire all the Cartrack Shares, other than those held by the Excluded Shareholders, by way of a scheme of arrangement in terms of section 114(1) (read with section 115) of the Companies Act, proposed by the Cartrack Board between Cartrack and the Eligible Cartrack Shareholders, in terms of which, if the Scheme becomes operative, Karoo000 will acquire the Scheme Shares from the Scheme Participants for a cash consideration of ZAR42.00 (forty two Rand) per Scheme Share; and
  - the subsequent Delisting of the Cartrack Shares from the Main Board of the JSE, in the event that the Scheme becomes operative;
- **The Listings and the Reinvestment Offer**
  - the Reinvestment Offer to be made by Karoo000 to Eligible Cartrack Shareholders, who become Scheme Participants, in conjunction with the Scheme whereby, in the event that the Scheme becomes operative, Eligible Cartrack Shareholders, who become Scheme Participants, whether or not they voted in favour of the Scheme, will have the ability to continue participating in the long-term value, benefits and strong growth opportunities of the Cartrack Group by electing to utilise up to a maximum of their Scheme Consideration received pursuant to the Scheme to subscribe for Karoo000 Shares at the same value in accordance with the Reinvestment Entitlement Ratio, resulting in the value of the Scheme Participants’ effective interest in Cartrack remaining unchanged after full reinvestment and prior to any primary capital raise that may be undertaken by Karoo000; and
  - the listing of the Karoo000 Shares on the NASDAQ and the inward listing on the JSE, in the event that such listings have been approved and the Proposed Transaction becomes operative; and

- **The Specific Repurchase**

the Specific Repurchase by Cartrack of the Cartrack Trust Shares from the Cartrack Trust for the Specific Repurchase Consideration,

and including:


- a fair and reasonable report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act and in terms of regulation 90 and 110 of the Takeover Regulations;
- extracts of section 115 of the Companies Act, dealing with the approval required for fundamental transactions (including schemes of arrangement) and of section 164 of the Companies Act, dealing with Dissenting Shareholders' Appraisal Rights;
- a notice convening the General Meeting;
- a notice convening the Scheme Meeting;
- a Form of Proxy in respect of the General Meeting (*green*), for use by Certificated Shareholders and "own-name" Dematerialised Shareholders only;
- a Form of Proxy in respect of the Scheme Meeting (*blue*), for use by Certificated Eligible Shareholders and "own-name" Dematerialised Eligible Shareholders only; and
- a Form of Surrender and Transfer in respect of Scheme Shares (*pink*) (for use by Certificated Eligible Shareholders only).

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Transaction Sponsor

**BofA SECURITIES** 

South Africa Legal Advisor and Tax  
Advisor to Karoo000

**ENS africa** 

Independent Expert

**|BDO**

Independent Legal Advisors to the Independent Board

 **NORTON ROSE FULBRIGHT**

Joint Financial Advisors to Karoo000

  
**RMB**

**BofA SECURITIES** 

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**Date of issue:** Tuesday, 19 January 2021

*This Circular is available in English only. Copies of this Circular may be obtained during normal business hours (09:00 to 17:00) from the Registered Office of Cartrack whose address is set out in the "Corporate Information and Advisors" section of this Circular from Tuesday, 19 January 2021 until Wednesday, 17 February 2021, and on Cartrack's website, [www.cartrack.co.za](http://www.cartrack.co.za), as from the date of distribution hereof on Tuesday, 19 January 2021 until the date of the Meetings on Wednesday, 17 February 2021.*

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## CORPORATE INFORMATION AND ADVISORS

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### **Company Secretary and Registered Office of Cartrack**

Annamè de Villiers  
11 Keyes Avenue  
Rosebank Johannesburg  
2196  
(PO Box 4709, Rivonia, 2128)

### **Registered Office of Karoovoo**

10 Anson Road  
#12-14  
International Plaza  
Singapore 079903

### **Transaction Sponsor**

Merrill Lynch South Africa Proprietary Limited  
t/a BofA Securities  
(Registration Number: 1995/001805/07)  
3rd Floor, The Place  
1 Sandton Drive  
Sandton, 2196  
(PO Box 651987, Benmore, 2010)

### **Independent Expert**

BDO Corporate Finance Proprietary Limited  
(Registration Number: 1983/002903/07)  
Wanderers Office Park  
52 Corlett Drive  
Illovo  
Gauteng  
South Africa  
2196  
(Private Bag X60500, Houghton, Gauteng,  
2041, South Africa)

### **Joint Financial Advisors to Karoovoo**

Rand Merchant Bank (A division of  
FirstRand Bank Limited)  
(Registration Number: 1929/001225/06)  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton, 2196  
(PO Box 650149 Benmore, 2010)

Merrill Lynch (Singapore) Pte. Ltd.  
50 Collyer Quay, #14-01 OUE Bayfront,  
Singapore 049321

### **Date of incorporation of Cartrack**

10 October 2005

### **Place of incorporation of Cartrack**

South Africa

### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
(Registration Number: 2004/003647/07)  
Rosebank Towers  
15 Biermann Street, Rosebank, 2001  
(Private Bag X9000, Saxonwold, 2132)

### **South Africa Legal Advisor and Tax Advisor to Karoovoo**

Edward Nathan Sonnenbergs Inc.  
(Registration Number: 2006/018299/21)  
The MARC | Tower 1  
129 Rivonia Road  
Sandton  
2196  
(PO Box 783347, Sandton, 2146)

### **Singapore Counsel to Cartrack**

Allen & Gledhill LLP  
One Marina Boulevard #28-00  
Singapore 018989

### **Independent Legal Advisor to the Independent Board**

Norton Rose Fulbright South Africa Incorporated  
(Registration Number: 1984/003385/21)  
15 Alice Lane  
Sandton, 2196  
(PO Box 784903, Sandton, 2146)

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## IMPORTANT LEGAL NOTICES, DISCLAIMERS AND FORWARD-LOOKING STATEMENTS

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The definitions and interpretations commencing on page 21 of this Circular apply, *mutatis mutandis*, to this section (unless context indicates otherwise).

### DISCLAIMER

The release, publication or distribution of this Circular may be restricted by law and therefore persons in any such jurisdictions into which this Circular is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws or other legal requirements of any such jurisdiction. To the fullest extent permitted by applicable law, Cartrack, the Cartrack Board, Karooooo, the Karooooo Board and the Advisors disclaim any responsibility or liability for the failure to become informed of or to observe or for any violation of such requirements by any person.

To the extent that the distribution of this Circular in certain jurisdictions outside South Africa may be restricted or prohibited by the laws of such foreign jurisdiction, then this Circular is deemed to have been provided for information purposes only and neither Cartrack, the Cartrack Board, Karooooo nor the Karooooo Board accept any responsibility for any failure by Cartrack Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

This Circular is not intended to and does not constitute or form part of an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful or in which securities may not be offered or sold without registration or an exemption from registration. This Circular does not constitute a prospectus or a prospectus-equivalent document.

Cartrack Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme (and the associated Delisting) and the Specific Repurchase, as well as salient information about the Listings and the Reinvestment Offer, with care. Any decision to approve the Scheme (and the associated Delisting), the Specific Repurchase or other response to the proposals should be made only on the basis of the information in this Circular.

Cartrack Shareholders must rely upon their own representatives, including their own legal advisors and accountants, and not those of Cartrack and/or Karooooo, as to legal, tax, investment or any other related matters concerning Cartrack and/or Karooooo.

The information contained in this Circular constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002 (as amended) and should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Scheme Consideration is appropriate to the particular investment objectives, financial situations or needs of an Eligible Cartrack Shareholder, and nothing in this Circular should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

### APPLICABLE LAWS

The Scheme (and the associated Delisting) and the Specific Repurchase relates to the securities of a South African company and is governed by, and must be construed in accordance with, the laws of South Africa, including but not limited to, the Companies Act, the Takeover Regulations, the JSE Listings Requirements and the Exchange Control Regulations. Accordingly, the Scheme (and the associated Delisting) and the Specific Repurchase is subject to South African procedural and disclosure requirements. It is proposed that the Scheme be implemented as a scheme of arrangement provided for under South African company law.

This Circular has been prepared for purposes of complying with the applicable disclosure requirements of the Companies Act, the Takeover Regulations and the JSE Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed had this Circular been prepared in accordance with the laws and regulations of any jurisdictions outside South Africa.

Any Cartrack Shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult their Broker, CSDP, banker, accountant, legal advisor or other professional advisor immediately.

### FOREIGN SHAREHOLDERS

The rights of the Foreign Shareholders in respect of the Scheme which is the subject of this Circular, may be affected by the laws of the relevant jurisdictions of any Foreign Shareholders. Such Foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any Foreign Shareholder to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme and the receipt of the Scheme Consideration, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any transfer or other taxes or other requisite payments due in such jurisdiction.

Any Foreign Shareholder will be responsible for any transfer taxes, other taxes or other requisite payments by whomsoever payable on behalf of such Foreign Shareholder. Cartrack and any other person acting on its behalf shall be fully indemnified and held harmless by Foreign Shareholders for any such transfer or other taxes as such person may be required to pay.

If you are a Foreign Shareholder, you are urged to read the important information relating to Foreign

Shareholders contained in paragraph 6.10 on page 35 (*Foreign Shareholders and Exchange Control Regulations*) in this Circular.

If you are in doubt as to your position in connection with the matters set out in this Circular, you should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

## **FORWARD-LOOKING STATEMENTS**

This Circular contains statements about Cartrack and Karoo000 that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry in which Cartrack and Karoo000 operate; operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings. Any statements about Cartrack's and/or Karoo000's expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often made through the use of words or phrases such as "*believe*", "*aim*", "*foresee*", "*forecast*", "*target*", "*likely*", "*should*", "*may*", "*potential*", "*will*", "*will likely result*", "*are expected to*", "*will continue*", "*believe*", "*is anticipated*", "*estimated*", "*intends*", "*expects*", "*plans*", "*seek*", "*projection*", "*shall*", "*could*" and "*outlook*" or similar expressions that are predictions of or indicate future events and future trends. These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Circular.

These forward-looking statements include, *among others*, those relating to the future business prospects, revenues and income, wherever they may occur, of Cartrack and Karoo000. This Circular and the annexures to this Circular, are necessarily estimates and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this Circular.

Cartrack Shareholders should note that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors may emerge from time to time that could cause the Cartrack Business, or other matters to which such forward-looking statements relate, not to develop as expected 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 or matters to differ materially from those contained in any forward-looking statement is not known. Cartrack and/or Karoo000 has no duty, and does not intend, to update or revise the forward-looking statements contained in this Circular after the Last Practicable Date, except as may be required by law (including pursuant to the Takeover Regulations and/or the JSE Listings Requirements).

## **NOTIFICATION UNDER SECTION 309B(1) OF THE SFA**

The Karoo000 Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **DATE OF INFORMATION PROVIDED**

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

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## SUMMARY OF THE PROPOSED TRANSACTION

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1. The Proposed Transaction comprises the following indivisible and inter-conditional components, namely –
  - 1.1 the Scheme (as more fully detailed in paragraph 6 below on page 30 of this Circular); and
  - 1.2 the Reinvestment Offer (as more fully detailed in paragraph 8 below on page 36 of this Circular).
2. Karooooo acknowledges that the Eligible Cartrack Shareholders have significantly supported the Cartrack Group over the years and it is Karooooo's intention that such shareholders are provided with an opportunity to remain invested in the long-term value, benefits and strong growth opportunities of the Cartrack Group, in the event that the Proposed Transaction becomes operative. To this end, in conjunction with the Scheme, Karooooo will, if the Scheme becomes operative, make the Reinvestment Offer to all Eligible Cartrack Shareholders, who become the Scheme Participants, (whether or not they voted in favour of the Scheme) whereby they will be entitled to utilise up to a maximum of their cash consideration received under the Scheme to subscribe for Karooooo Shares at the same value in accordance with the Reinvestment Entitlement Ratio, resulting in the value of Scheme Participants' effective interest in Cartrack remaining unchanged after full reinvestment and prior to any primary capital raise that may be undertaken by Karooooo. Notably, no excess applications will be permitted.
3. On receipt of the required regulatory approvals (and subject to the fulfilment of the Conditions Precedent), the Proposed Transaction will become operative following which Karooooo will become the registered and beneficial owner of all the Cartrack Shares (including the Scheme Shares), which shares will be delisted from the JSE and the Karooooo Shares will be listed on the NASDAQ (pursuant to the NASDAQ Listing) with an inward listing on the JSE (pursuant to the JSE Listing).
4. The Reinvestment Offer is ultimately designed, amongst other things, to enable Scheme Participants to remain invested in the Cartrack Group, by virtue of holding Karooooo Shares (which will be listed on an internationally recognised exchange (to be the NASDAQ), and inwardly listed on the JSE).
5. Notably, in order for the Reinvestment Offer to be made available to Scheme Participants, the Scheme must be duly approved at the Scheme Meeting by the requisite majority of Scheme Members and various aspects of the Proposed Transaction must, amongst other conditions, be approved by the requisite regulatory authorities (including, but not limited to, the SEC declaring effective a registration statement to permit and the NASDAQ approving a listing of, the Karooooo Shares on the NASDAQ pursuant to the Listings) (please refer to the full list of the Conditions Precedent in paragraph 6.3 below on page 31 of this Circular and paragraph 8.12 on page 37 of this Circular).
6. If the Scheme is not duly approved by the requisite majority of Scheme Members and/or any of the Conditions Precedent are not fulfilled (or, where appropriate, waived), then the Scheme will not become operative and Eligible Cartrack Shareholders will continue to hold their Cartrack Shares in the ordinary course and the *status quo ante* shall remain. Consequently, the Proposed Transaction in its entirety will not proceed, with the result that the Cartrack Shares will continue to be listed on the Main Board of the JSE, the Scheme and the JSE Listing will not take place and the Reinvestment Offer will not be available.
7. If the Scheme is duly approved by the requisite majority of Scheme Members and the Conditions Precedent are fulfilled (or, where appropriate, waived), then the Proposed Transaction will proceed, with the result that the Scheme will become operative and the Karooooo Shares will be listed on the NASDAQ with an inward listing on the JSE and, once the Reinvestment Offer is made by Karooooo, Eligible Cartrack Shareholders, who become Scheme Participants, will have the election to utilise up to a maximum of their Scheme Consideration to subscribe for Karooooo Shares at the same value in accordance with the Reinvestment Offer.
8. Notwithstanding the fact that the Reinvestment Offer is conditional on the Scheme becoming operative, participation by Eligible Cartrack Shareholders, who become Scheme Participants in the Reinvestment Offer is entirely at the discretion of such Eligible Cartrack Shareholders. In other words, Eligible Cartrack Shareholders are not obliged to participate in the Reinvestment Offer.
9. Notably, Eligible Cartrack Shareholders, who become Scheme Participants, and who:
  - 9.1 do not participate in the Reinvestment Offer (or fail to timeously complete the participation form as will be provided for in the Karooooo Prospectus strictly in accordance with the terms, conditions and instructions contained therein) or only elect to partially participate in the Reinvestment Offer, will receive the Scheme Consideration (or part thereof) in cash (being ZAR42.00 (forty two Rand) for every 1 (one) Scheme Share held by the Scheme Participants on the Scheme Consideration Record Date; and
  - 9.2 elect to participate in the Reinvestment Offer will not receive their Scheme Consideration (or part thereof) in cash. In so electing, Cartrack shall be authorised to instruct Karooooo, on behalf of such Scheme Participants, to apply their Scheme Consideration (or part thereof) in settlement of their obligation to pay the subscription price for the Karooooo Shares in accordance with the terms and conditions of the Reinvestment Offer, thereby extinguishing in full the obligation by Cartrack to remit such Scheme Consideration (or part thereof) to the Scheme Participants pursuant to the Scheme.
10. For full details of the Scheme (and associated Delisting), the terms and conditions thereof and salient details of the Listings and the Reinvestment Offer, please read this Circular in its entirety.

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## ACTION REQUIRED BY CARTRACK SHAREHOLDERS

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The definitions and interpretations commencing on page 21 of this Circular apply, *mutatis mutandis*, to this section (unless context indicates otherwise).

**Please take careful note of the following provisions regarding the actions required of Cartrack Shareholders in connection with the Proposed Transaction and the Specific Repurchase:**

1. If you are in any doubt as to the action you should take, please consult your CSDP, Broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor immediately.
2. If you have disposed of all your Cartrack Shares on or before Friday, 08 January 2021, then this Circular should be handed to the purchaser of such shares or to the Broker, CSDP, banker, accountant, legal advisor or other agent through whom the disposal was effected.
3. This Circular contains:
  - 3.1 information relating to the Proposed Transaction and the Specific Repurchase;
  - 3.2 the resolutions required to be approved by the Scheme Members at the Scheme Meeting; and
  - 3.3 the resolutions required to be approved by the General Members at the General Meeting.
4. Eligible Cartrack Shareholders should carefully read through this Circular in its entirety and decide how you wish to vote on the Scheme Resolutions (as set out in the Notice of Scheme Meeting) to be proposed at the Scheme Meeting.
5. Cartrack Shareholders should carefully read through this Circular in its entirety and decide how you wish to vote on the General Resolutions (as set out in the Notice of General Meeting) to be proposed at the General Meeting.

### **PART A: SCHEME MEETING AND THE REINVESTMENT OFFER**

6. **Notice of Scheme Meeting**
  - 6.1 Eligible Cartrack Shareholders are invited to attend a Scheme Meeting, convened in terms of the Notice of Scheme Meeting incorporated in this Circular, for purposes of considering and, if deemed fit, passing, with or without modification, the Scheme Resolutions.
  - 6.2 **Condition to the Scheme Resolutions being proposed at the Scheme Meeting:** It is a condition to the Scheme Resolutions being proposed at the Scheme Meeting that if, before it is to be voted on at the Scheme Meeting, Cartrack receives any written notice from any Eligible Cartrack Shareholder/s in terms of section 164(3) of the Companies Act objecting to the Scheme Special Resolution, then the chairperson of the Scheme Meeting may close the Scheme Meeting without putting the Scheme Resolutions to the vote.
  - 6.3 The Scheme Meeting will be held entirely by electronic communication at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting), or at any other adjourned or postponed date and time determined in accordance with the provisions of the Companies Act and the JSE Listings Requirements. A notice convening such Scheme Meeting is attached to, and forms part of, this Circular.
  - 6.4 Against the backdrop of the COVID-19 pandemic and subsequent impact in South Africa, the general uncertainty occasioned by this and the related restrictions imposed (or which may be imposed) by the South African Government on travel and the holding of public gatherings and the implementation of distancing measures, which limits the ability of the Eligible Cartrack Shareholders to participate in person in the Scheme Meeting, the Scheme Meeting will be held entirely through electronic communication. The Scheme Meeting will be conducted on an interactive electronic platform in compliance with, *inter alia*, the quorum requirements contained in the Cartrack MOI and the Companies Act.
  - 6.5 For more information about the online facility and the means of connecting thereto, please see the section titled “*Electronic Participation at the Scheme Meeting*” below and in the Notice of Scheme Meeting.
7. **Dematerialised Eligible Shareholders with own-name Registration**
  - 7.1 Attendance and Voting at the Scheme Meeting
    - 7.1.1 If you have Dematerialised your Cartrack Shares with “*own name*” registration, then the following actions are relevant to you in connection with the Scheme Meeting.
    - 7.1.2 You may attend, speak and vote at the Scheme Meeting, subject to section 58 of the Companies Act, and as outlined in paragraph 10 below on page 10 of this Circular.
    - 7.1.3 If you do not wish to, or are unable to, attend the Scheme Meeting but wish to be represented thereat, you may appoint a proxy to attend, speak and vote in your stead. A proxy need not be an Eligible Cartrack Shareholder and shall be entitled to vote on a poll. If you wish to appoint a proxy you must complete the Form of Proxy (*blue*) in accordance with the instructions contained therein and return same together with proof of identification (i.e. valid South African identity document, driver’s license or passport) and authority to do so (where acting in a representative capacity), to the Transfer Secretaries, as follows:



- 7.1.3.1 by email at proxy@computershare.co.za;
- 7.1.3.2 by hand to Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
- 7.1.3.3 by post to Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132,

so as to reach the Transfer Secretaries by no later than 48 (forty eight) hours before the Scheme Meeting that is to be held at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting), i.e. by 11:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Eligible Cartrack Shareholders and their proxies who wish to participate by electronic communication at the Scheme Meeting.

- 7.1.4 Forms of Proxy (*blue*) may be lodged in respect of the Scheme Meeting immediately prior to the due commencement of the Scheme Meeting, in accordance with the instructions therein, by emailing the Form of Proxy (*blue*) to the Transfer Secretaries. However, please bear in mind that the reason why Eligible Cartrack Shareholders are asked to send in their Forms of Proxy (*blue*) before the Scheme Meeting is because Cartrack has over 1400 (one thousand four hundred) Eligible Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the Scheme Meeting, if these checks have to be carried out by the scrutineers while the Scheme Meeting is in progress.
- 7.1.5 You are encouraged to appoint a proxy if you do not intend to attend the Scheme Meeting yourself in person.

## 7.2 Surrender of Documents of Title

You do **not** have to surrender any Documents of Title. The transfer of your Scheme Shares and payment of your Scheme Consideration (or part thereof) will be handled by your CSDP or Broker. Consequently, you must not complete the attached Form of Surrender and Transfer (*pink*).

## 7.3 Operation of the Scheme

- 7.3.1 If the Scheme becomes operative, you will have your account held at your CSDP or Broker credited with the Scheme Consideration (or part thereof) and debited with the Scheme Shares you are transferring to Karooooo on the Scheme Operative Date, or, if applicable, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 6.7.9 below on page 34 of this Circular, you will have your account held at your CSDP or Broker credited with the Scheme Consideration (or part thereof) and debited with the Scheme Shares you are transferring to Karooooo on the date set out in paragraph 6.7.10 below on page 34 of this Circular.
- 7.3.2 Should the Scheme **not** become operative:
  - 7.3.2.1 you will retain your Scheme Shares; and
  - 7.3.2.2 you will not be entitled to receive any Scheme Consideration,
    - and, consequently, the Cartrack Shares will continue to be listed on the Main Board of the JSE, the Scheme and the JSE Listing will not take place and the Reinvestment Offer will not be available.

## 8. **Dematerialised Eligible Shareholders without “own name” Registration**

### 8.1 Attendance and Voting at the Scheme Meeting

- 8.1.1 If you have Dematerialised your Cartrack Shares without “*own name*” registration, then the following actions are relevant to you in connection with the Scheme Meeting.
- 8.1.2 If you wish to participate in the Scheme Meeting you should instruct your CSDP or Broker to issue you with the necessary letter of representation to participate in the Scheme Meeting, in the manner stipulated in the Custody Agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.
- 8.1.3 If you do not wish to, or are unable to, participate in the Scheme Meeting, but wish to vote thereat, you should provide your CSDP or Broker with your voting instructions in the manner stipulated in the Custody Agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.
- 8.1.4 You must **not** complete the attached Form of Proxy (*blue*).
- 8.1.5 It is requested that the necessary letter of representation (and supporting identification documents) of Dematerialised Eligible Shareholders without “*own-name*” registration be delivered to the Transfer Secretaries, as follows:
  - 8.1.5.1 by email at proxy@computershare.co.za;
  - 8.1.5.2 by hand to Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
  - 8.1.5.3 by post to Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132,

so as to reach the Transfer Secretaries by no later than 11:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of such Dematerialised Eligible Shareholders who wish to participate by electronic communication at the Scheme Meeting.

8.1.6 Dematerialised Eligible Shareholders without “*own-name*” registration are strongly urged to ensure the timeous receipt by the Transfer Secretaries of the above documents, as well as the necessary identification documents as, due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify an Eligible Cartrack Shareholder without “*own-name*” registration once the Scheme Meeting has commenced.

8.1.7 **The Independent Board and Cartrack do not accept responsibility, and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or Broker of a Dematerialised Eligible Shareholder, including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner to notify such beneficial owner of the Scheme Meeting or of the matters set out in this Circular.**

## 8.2 Surrender of Documents of Title

You do **not** have to surrender any Documents of Title. The transfer of your Scheme Shares and payment of your Scheme Consideration (or part thereof) will be handled by your CSDP or Broker. Consequently, you must not complete the attached Form of Surrender and Transfer (*pink*).

## 8.3 Operation of the Scheme

8.3.1 If the Scheme becomes operative, you will have your account held at your CSDP or Broker credited with the Scheme Consideration (or part thereof) and debited with the Scheme Shares you are transferring to Karooooo on the Scheme Operative Date, or, if applicable, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 6.7.9 below on page 34 of this Circular, you will have your account held at your CSDP or Broker credited with the Scheme Consideration (or part thereof) and debited with the Scheme Shares you are transferring to Karooooo on the date set out in paragraph 6.7.10 below on page 34 of this Circular.

8.3.2 Should the Scheme **not** become operative you will:

8.3.2.1 retain your Scheme Shares; and

8.3.2.2 not be entitled to receive any Scheme Consideration,

and, consequently, the Cartrack Shares will continue to be listed on the Main Board of the JSE, the Scheme and the JSE Listing will not take place and the Reinvestment Offer will not be available.

## 9. **Certificated Eligible Shareholders**

9.1 If you have not Dematerialised your Cartrack Shares, then the following actions are relevant to you in connection with the Scheme Meeting.

### 9.2 Attendance and Voting at the Scheme Meeting

9.2.1 You may attend, speak and vote at the Scheme Meeting, subject to sections 57 and 58 of the Companies Act, and as outlined in paragraph 10 below on page 10 of this Circular.

9.2.2 If you do not wish to or are unable to attend the Scheme Meeting but wish to be represented thereat, you may appoint a proxy to attend, speak and vote in your stead. A proxy need not be an Eligible Cartrack Shareholder and shall be entitled to vote on a poll. If you wish to appoint a proxy you must complete the Form of Proxy (*blue*) in accordance with the instructions contained therein and return same together with proof of identification (i.e. valid South African identity document, driver's license or passport) and authority to do so (where acting in a representative capacity), to the Transfer Secretaries, as follows:

9.2.2.1 by email at proxy@computershare.co.za;

9.2.2.2 by hand to Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or

9.2.2.3 by post to Private Bag X9000, Saxonwold,

so as to reach the Transfer Secretaries by no later than 48 (forty eight) hours before the Scheme Meeting that is to be held at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting), i.e. by 11:00 Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Eligible Cartrack Shareholders and their proxies who wish to participate by electronic communication at the Scheme Meeting.

9.2.3 Forms of Proxy (*blue*) may be lodged in respect of the Scheme Meeting immediately prior to the due commencement of the Scheme Meeting, in accordance with the instructions therein, by emailing the Form of Proxy (*blue*) to the Transfer Secretaries. However, please bear in mind that the reason why Eligible Cartrack Shareholders are asked to send in their Forms of Proxy (*blue*) before the Scheme Meeting is because Cartrack has over 1400 (one thousand four hundred) Eligible Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the Scheme Meeting if these checks have to be carried out by the scrutineers while the Scheme Meeting is in progress.

9.2.4 You are encouraged to appoint a proxy if you do not intend to attend the Scheme Meeting yourself in person.

### 9.3 Surrender of Documents of Title and Operations of the Scheme

- 9.3.1 If you are a Certificated Eligible Shareholder, then you should pay special attention to the provisions of this paragraph 9.3, since to receive the Scheme Consideration (or part thereof) to which you are entitled if the Scheme becomes operative, you will be required to have surrendered your Scheme Shares. If you are in any doubt as to what action you should take, please consult a Broker, CSDP, banker, legal advisor or other professional advisor.
- 9.3.2 If the Scheme becomes operative, you will have to surrender your Documents of Title in order to receive the Scheme Consideration, (or part thereof) irrespective of whether you voted in favour of the Scheme or not in terms of section 114(1) of the Companies Act. This is achieved by completing the Form of Surrender and Transfer (*pink*) in accordance with its instructions and returning it, together with the relevant Documents of Title, to the Transfer Secretaries to be received by no later than 12:00 on the Scheme Consideration Record Date (expected to be on Thursday, 01 April 2021).
- 9.3.3 If you wish to expedite receipt of the Scheme Consideration (or part thereof), you should surrender your Documents of Title in respect of Scheme Shares prior to the Scheme becoming operative by duly completing the attached Form of Surrender and Transfer (*pink*) and lodging it, together with your Documents of Title, in accordance with the instructions contained therein, with the Transfer Secretaries to be received by the Transfer Secretaries by 12:00 on the Scheme Consideration Record Date (expected to be on Thursday, 01 April 2021).
- 9.3.4 If the Scheme becomes operative and you **have** surrendered your Documents of Title and duly completed Form of Surrender and Transfer (*pink*) to the Transfer Secretaries by 12:00 on the Scheme Consideration Record Date (expected to be on Thursday, 01 April 2021), the Scheme Consideration (or part thereof) will be paid to you by way of an EFT into the South African bank account nominated by you in Part C of the Form of Surrender and Transfer (*pink*) on the Scheme Operative Date.
- 9.3.5 If the Scheme becomes operative and you **have not** surrendered your Documents of Title and duly completed Form of Surrender and Transfer (*pink*) by 12:00 on the Scheme Consideration Record Date (expected to be on Thursday, 01 April 2021), the Transfer Secretaries will only pay the Scheme Consideration (or part thereof) to you by way of an EFT into the South African bank account nominated by you in Part C of the Form of Surrender and Transfer (*pink*), within 5 (five) Business Days of receipt of your Documents of Title and duly completed Form of Surrender (*pink*) provided that should you:
- 9.3.5.1 be a Dissenting Shareholder who subsequently becomes a Scheme Participant as envisaged in paragraph 6.7.9 below on page 34 of this Circular, you will still need to submit your Documents of Title, together with a duly completed Form of Surrender and Transfer (*pink*), to the Transfer Secretaries and payment of the Scheme Consideration (or part thereof) will be paid to you by way of EFT into the South African bank account nominated by you in Part C of the Form of Surrender and Transfer (*pink*) on the date set out in paragraph 6.7.10 below on page 34 of this Circular; or
- 9.3.5.2 fail to submit your Documents of Title and duly completed Form of Surrender and Transfer (*pink*) to the Transfer Secretaries or in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 6.7.9 below on page 34 of this Circular, the Scheme Consideration (or part thereof) payable to such Scheme Participant will be held in trust by Cartrack (or any third party nominated by it for this purpose) for your benefit for a maximum period of 3 (three) years, after which period such funds shall be made over to the Guardian's Fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by Cartrack (or its nominee).
- 9.3.6 Subject to paragraph 9.4.2 below on page 10 of this Circular, should the account details provided by you in Part C on the Form of Surrender and Transfer (*pink*) be incorrect and/or incomplete, it will not be possible to credit such account with the Scheme Consideration (or part thereof), in which case your Scheme Consideration (or part thereof) will be held with the Transfer Secretaries until such time as correct and/or completed information is received.
- 9.3.7 If you wish to surrender your Documents of Title in anticipation of the Scheme becoming operative:
- 9.3.7.1 you should complete the Form of Surrender and Transfer (*pink*) in accordance with its instructions and return it, together with your Documents of Title, to the Transfer Secretaries, as follows:
- 9.3.7.1.1 by hand to Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
- 9.3.7.1.2 by post to Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132,
- so as to be received by no later than 12:00 on the Scheme Consideration Record Date (expected to be on Thursday, 01 April 2021); and
- 9.3.7.2 it should be noted that you will not be able to Dematerialise or deal in your Cartrack Shares between the date of surrender of your Documents of Title and the Scheme Operative Date or, if the Scheme does not become operative, the date on which your Documents of Title are returned to you pursuant to paragraph 9.3.8 below.

9.3.8 Documents of Title surrendered prior to 12:00 on the Scheme Consideration Record Date (expected to be on Thursday, 01 April 2021, in anticipation of the Scheme becoming operative, will be held in trust by the Transfer Secretaries, at the risk of the Certificated Eligible Shareholder, pending the Scheme becoming operative. Should the Scheme not become operative, any Documents of Title surrendered and held by the Transfer Secretaries will be returned to the Certificated Eligible Shareholder concerned by registered post at the risk of the Certificated Eligible Shareholder within 5 (five) Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is later.

9.3.9 Should the Scheme **not** become operative you will:

9.3.9.1 retain your Scheme Shares; and

9.3.9.2 not be entitled to receive any Scheme Consideration,

and, consequently, the Cartrack Shares will continue to be listed on the Main Board of the JSE, the Scheme and the JSE Listing will not take place and the Reinvestment Offer will not be available.

#### 9.4 Validity of Form of Surrender and Transfer (Pink)

In respect of Certificated Eligible Shareholders, Cartrack reserves the right, in its sole and absolute discretion, to:

9.4.1 treat as invalid a Form of Surrender and Transfer (*pink*) not accompanied by valid Documents of Title;

9.4.2 treat as invalid a Form of Surrender and Transfer (*pink*) which has not been fully completed or which has been incorrectly completed; and/or

9.4.3 require proof of the authority of the person signing the Form of Surrender and Transfer (*pink*) where such proof has not yet been lodged with, or recorded by, the Transfer Secretaries.

#### 9.5 Certificated Transfers

Where physical Documents of Title have been surrendered, no receipts will be issued to Certificated Eligible Shareholders for the Form of Surrender and Transfer (*pink*) and the Documents of Title lodged with the Transfer Secretaries, unless specifically requested by such Certificated Eligible Shareholders in writing. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping.

#### 9.6 Lost or Destroyed Documents of Title in respect of Certificated Eligible Shareholders

If Documents of Title relating to any Scheme Shares to be surrendered are lost or destroyed, Cartrack may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Cartrack that the Documents of Title to the Scheme Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to them. Accordingly, if the Documents of Title in respect of any of your Scheme Shares have been destroyed, you should nevertheless return the attached Form of Surrender and Transfer (*pink*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.

#### 9.7 Posting of Forms of Surrender and Transfer (pink) and Documents of Title

Forms of Surrender and Transfer (*pink*) and Documents of Title that are sent through the post are sent at the risk of the Certificated Eligible Shareholder concerned. Accordingly, Certificated Eligible Shareholders should take note of postal delivery times so as to ensure that their Forms of Surrender and Transfer (*pink*) and relevant Documents of Title are received timeously. It is, therefore, recommended that such Forms of Surrender and Transfer (*pink*) and Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.

### 10. **Electronic Participation at the Scheme Meeting**

10.1 In light of the restrictions on public gatherings pursuant to the regulations issued in terms of section 27(2) of the DMA arising from the COVID-19 pandemic, and in accordance with the provisions of the Companies Act and the Cartrack MOI, the Scheme Meeting will be conducted entirely through electronic communication. The decision has been taken by the Board that it is appropriate to hold the Scheme Meeting entirely by electronic communication in accordance with the provisions of clause 20.5 of the MOI read with section 63(2) of the Companies Act.

10.2 The electronic meeting facilities will permit all Scheme Members to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to Scheme Members to vote their Cartrack Shares at the Scheme Meeting. The electronic facility which has been elected by Cartrack for purposes of the Scheme Meeting is Lumi AGM, an electronic facility which may be accessed by using a smartphone, tablet or computer.

#### 10.3 **Registration**

10.3.1 Should you wish to participate in the Scheme Meeting you will be required to pre-register your personal details to enable you to participate in the Scheme Meeting by taking the following action:

10.3.1.1 register online at [www.smartagm.co.za](http://www.smartagm.co.za) by no later than 11:00 on Monday, 15 February 2021. You may still register online to participate in and/or vote electronically at the Scheme Meeting after this date and time, provided, however, that for you to participate and/or vote electronically at the Scheme Meeting, you must be verified and registered before the commencement of the Scheme Meeting; and

10.3.1.2 upload proof of identification (e.g. valid South African identity document, South African driver's license or passport), as well provide the following details: your name, surname, email address and contact number.



- 10.3.2 If you have Dematerialised your Cartrack Shares without “*own name*” registration then you must in addition to the actions listed above, request your CSDP or Broker to provide you with the necessary authority (i.e. letter of representation) in terms of the Custody Agreement entered into between you and your CSDP or Broker and upload same.

#### 10.4 Participation


Following successful completion of the registration process contemplated above, you will be required to connect to the Scheme Meeting by using the link below and following the relevant prompts:

<https://web.lumiagm.com>

#### 10.5 Access and Navigation

- 10.5.1 Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.
- 10.5.2 Visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.
- 10.5.3 Once you have either downloaded the Lumi AGM app or entered <https://web.lumiagm.com> into your web browser, you will be prompted to enter the Meeting ID, being Meeting ID: **186-288-357**.
- 10.5.4 Once you have successfully entered the Meeting ID, you will then be required to enter your username and password, both of which shall have been emailed to you following completion of the registration process contemplated above.
- 10.5.5 When you are successfully authenticated, the info screen  will be displayed. You can view company information, ask questions and watch the webcast.
- 10.5.6 If you would like to watch the webcast press the broadcast icon  at the bottom of the screen.
- 10.5.7 If viewing on a computer the webcast will appear at the side automatically once the meeting has started.

#### 10.6 Voting

- 10.6.1 Shareholders connecting to the Scheme Meeting will be able to participate in the Scheme Meeting.
- 10.6.2 In terms of clause 20.23 of the MOI, the Scheme Resolution shall be decided by way of a poll.
- 10.6.3 The chairman will open voting on the Scheme Resolutions at the start of the Scheme Meeting. Once the voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen. From here, the Scheme Resolutions and voting choices will be displayed.
- 10.6.4 To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received. The confirmation of your vote being received shall be depicted as follows: **For – Vote received**
- 10.6.5 To change your vote, simply select another direction. If you wish to cancel your vote, press “Cancel”.
- 10.6.6 Once the chairman has opened voting, voting can be performed at any time during the Scheme Meeting until the chairman closes the voting on the Scheme Resolutions. At that point your last choice will be submitted.
- 10.6.7 Every Scheme Member shall on a poll have that proportion of the total votes in Cartrack which the aggregate amount of the nominal value of the Cartrack Shares held by that Scheme Member bears to the aggregate of the nominal value of all the Cartrack Shares issued by Cartrack.
- 10.6.8 **Although voting will be permitted by way of electronic communication, you are strongly encouraged to submit your votes by proxy before the Scheme Meeting.**

#### 10.7 Assistance

If you experience any difficulty with (i) the registration process contemplated above or (ii) logging into the Scheme Meeting (by 11:00, Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting)) you should request an agent of the Transfer Secretaries to assist with such difficulty by emailing the following email address: [proxy@computershare.co.za](mailto:proxy@computershare.co.za).

#### 10.8 Electronic Notice and Identification

10.8.1 **IMPORTANT NOTE:** As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the Scheme Meeting, that person must present reasonably satisfactory identification, and the presiding person at the meeting must be reasonably satisfied, that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. So as to comply with this verification procedure set out in section 63(1) of the Companies Act, if you wish to participate electronically in the Scheme Meeting you are strongly encouraged to email the Transfer Secretaries at [proxy@computershare.co.za](mailto:proxy@computershare.co.za) by no later than 11:00 on Monday, 15 February 2021 that you wish to participate via electronic communication at the Scheme Meeting (the “**Electronic Notice**”). The Electronic Notice must contain a valid email address for the person wishing to participate and must be accompanied by:

- 10.8.1.1 if you are an individual, a certified copy of your original South African identity document and/or passport and/or South Africa driver’s licence;
- 10.8.1.2 if you are not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the South African identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the Scheme Meeting via electronic communication; and

10.8.1.3 in all cases, a valid email address and/or mobile telephone number (the contact email address/number).

This is necessary in order to obtain a username, without which it will not be possible to participate in the Scheme Meeting. Sufficient time is needed for the Transfer Secretaries to verify the participant and then assign a username which reflects the number of Cartrack Shares in respect of which voting is permitted. If the number of Cartrack Shares reflected is nil, you will be able to attend the Scheme Meeting and view the proceedings as a guest but will not be able to ask questions, make comments or vote.

10.8.2 If you do not send your Electronic Notice recording your intention to participate in the Scheme Meeting to the Transfer Secretaries by 11:00 on Monday, 15 February 2021, you may still participate via electronic communication at the Scheme Meeting and may email the Electronic Notice to the Transfer Secretaries at any time prior to the commencement of the Scheme Meeting. **However, for the purpose of effective administration, should you wish to participate in the Scheme Meeting you are strongly urged to send the Electronic Notice by 11:00 on Monday, 15 February 2021.**

10.9 Cartrack will make the webcast facilities available via Lumi AGM for the duration of the Scheme Meeting at no cost to you. However, any third-party costs relating to the use or access of the webcast facilities will be for your own account.

10.10 You will be liable for your own network charges in relation to electronic participation in and/or voting at the Scheme Meeting. Any such charges will not be for the account of the JSE, Cartrack and/or the Transfer Secretaries.

10.11 Neither the JSE, Cartrack nor the Transfer Secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents you from participating in and/or voting at the Scheme Meeting.

10.12 The provisions of this paragraph 10, in particular the procedures and action to be taken in order to participate electronically in the Scheme Meeting, apply equally to your representative and/or proxy (if any).

## 11. The Reinvestment Offer

11.1 If Eligible Cartrack Shareholders, who become Scheme Participants, wish to remain invested in the Cartrack Group in the event that the Proposed Transaction becomes operative, such Eligible Cartrack Shareholders will have an election to utilise up to a maximum of their Scheme Consideration to subscribe for Karo0000 Shares in accordance with the Reinvestment Entitlement Ratio pursuant to the Reinvestment Offer. Salient information about the Reinvestment Offer is set out in paragraph 8 on page 36 of this Circular. Notably, no excess applications will be permitted.

11.2 Such Reinvestment Offer is indivisible and inter-conditional with the Scheme but will be made pursuant to the terms and conditions of the Karo0000 Prospectus. The Karo0000 Prospectus will include details and instructions on how to participate in the Reinvestment Offer.

11.3 Eligible Cartrack Shareholders, who become Scheme Participants, will be required to make an election as to whether they wish to participate in the Reinvestment Offer and receive Karo0000 Shares by completing the participation form as will be provided for in the Karo0000 Prospectus strictly in accordance with the terms, conditions and instructions contained in the Karo0000 Prospectus and the participation form provided therein.

11.4 Notwithstanding the fact that the Reinvestment Offer is conditional on the Scheme becoming operative, participation by the Eligible Cartrack Shareholders, who become Scheme Participants, in the Reinvestment Offer is entirely at the discretion of such Eligible Cartrack Shareholders. In other words, Eligible Cartrack Shareholders are not obliged to participate in the Reinvestment Offer.

11.5 Notably, Eligible Cartrack Shareholders, who become Scheme Participants, and who:

11.5.1 do not participate in the Reinvestment Offer (or fail to timeously complete the participation form as will be provided for in the Karo0000 Prospectus strictly in accordance with the terms, conditions and instructions contained therein) or only elect to partially participate in the Reinvestment Offer, will receive the Scheme Consideration (or part thereof) in cash (being ZAR42.00 (forty two Rand) for every 1 (one) Scheme Share held by the Scheme Participants on the Scheme Consideration Record Date; and

11.5.2 elect to participate in the Reinvestment Offer will not receive their Scheme Consideration (or part thereof) in cash. In so electing, Cartrack shall be authorised to instruct Karo0000, on behalf of such Scheme Participants, to apply their Scheme Consideration (or part thereof) in settlement of their obligation to pay the subscription price for the Karo0000 Shares in accordance with the terms and conditions of the Reinvestment Offer, thereby extinguishing in full the obligation by Cartrack to remit such Scheme Consideration (or part thereof) to the Scheme Participants pursuant to the Scheme.

11.6 **Participating in the Scheme or participating and voting at the Scheme Meeting and/or the General Meeting does not constitute the participation in, or acceptance of, the Reinvestment Offer. Eligible Cartrack Shareholders, who become Scheme Participants, will be responsible for participating in and accepting the Reinvestment Offer to be made by Karo0000, pursuant to the Karo0000 Prospectus. For full and detailed information on the Reinvestment Offer, Scheme Participants will be required to refer to the Karo0000 Prospectus when made available.**

11.7 **Please note that the Karo0000 Prospectus will be made available to Scheme Participants following the Scheme Meeting (which is expected to be on or about 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting)) but prior to the Scheme Operative Date (which is expected to be on or about Tuesday, 06 April 2021). The exact date and time of the availability of the Karo0000 Prospectus will be notified to Scheme Participants in due course.**

11.8 **The Scheme contemplated in this Circular does not constitute an "offer to the public", as envisaged in Chapter 4 of the Companies Act and, accordingly, this Circular does not, nor does it intend to, constitute a "registered prospectus", as contemplated in Chapter 4 of the Companies Act.**

## PART B: GENERAL MEETING

### 12. Notice of General Meeting

- 12.1 Cartrack Shareholders are invited to attend a General Meeting, convened in terms of the Notice of General Meeting incorporated in this Circular, for purposes of considering and, if deemed fit, passing, with or without modification, the General Resolutions.
- 12.2 **Conditions to the General Resolutions being proposed at the General Meeting:** The proposal of the General Resolutions being proposed at the General Meeting are not subject to or inter-conditional on the Proposed Transaction becoming unconditional and being implemented in accordance with its terms and conditions.
- 12.3 The General Meeting will be held entirely by electronic communication at 10:00 on Wednesday, 17 February 2021, or at any other adjourned or postponed date and time determined in accordance with the provisions of the Companies Act and the JSE Listings Requirements. A notice convening such General Meeting is attached to, and forms part of, this Circular.
- 12.4 Against the backdrop of the COVID-19 pandemic and subsequent impact in South Africa, the general uncertainty occasioned by this and the related restrictions imposed (or which may be imposed) by the South African Government on travel and the holding of public gatherings and the implementation of distancing measures, which limits the ability of the Cartrack Shareholders to participate in person in the General Meeting, the General Meeting will be held entirely through electronic communication. The General Meeting will be conducted on an interactive electronic platform in compliance with, *inter alia*, the quorum requirements contained in the Cartrack MOI and the Companies Act.
- 12.5 For more information about the online facility and the means of connecting thereto, please see the section titled “*Electronic Participation at the General Meeting*” below and in the Notice of General Meeting.

### 13. Voting and Attendance at the General Meeting

#### 13.1 Dematerialised Shareholders with own-name Registration

- 13.1.1 If you have Dematerialised your Cartrack Shares with “*own name*” registration, then the following actions are relevant to you in connection with the General Meeting.
- 13.1.2 You may attend, speak and vote at the General Meeting, subject to section 58 of the Companies Act, and as outlined in paragraph 13.4 below on page 14 of this Circular.
- 13.1.3 If you do not wish to, or are unable to, attend the General Meeting but wish to be represented thereat, you may appoint a proxy to attend, speak and vote in your stead. A proxy need not be a Cartrack Shareholder and shall be entitled to vote on a poll. If you wish to appoint a proxy you must complete the attached Form of Proxy (*green*) in accordance with the instructions contained therein and return same together with proof of identification (i.e. valid South African identity document, driver’s license or passport) and authority to do so (where acting in a representative capacity), to the Transfer Secretaries, as follows:
- 13.1.3.1 by email at proxy@computershare.co.za;
- 13.1.3.2 by hand to Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
- 13.1.3.3 by post to Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132,
- so as to reach the Transfer Secretaries by no later than 48 (forty eight) hours before the General Meeting that is to be held at 10:00 on Wednesday, 17 February 2021, i.e. by 10:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Cartrack Shareholders and their proxies who wish to participate by electronic communication at the General Meeting.
- 13.1.4 Forms of Proxy (*green*) may be lodged in respect of the General Meeting immediately prior to the due commencement of the General Meeting, in accordance with the instructions therein, by emailing the Form of Proxy (*green*) to the Transfer Secretaries. However, please bear in mind that the reason why Cartrack Shareholders are asked to send in their Forms of Proxy (*green*) before the General Meeting is because Cartrack has over 1400 (one thousand four hundred) Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the General Meeting, if these checks have to be carried out by the scrutineers while the General Meeting is in progress.
- 13.1.5 You are encouraged to appoint a proxy if you do not intend to attend the General Meeting yourself in person.
- #### 13.2 Dematerialised Shareholders without “own name” Registration
- 13.2.1 If you have Dematerialised your Cartrack Shares without “*own name*” registration, then the following actions are relevant to you in connection with the General Meeting.

- 13.2.2 If you wish to participate in the General Meeting you should instruct your CSDP or Broker to issue you with the necessary letter of representation to participate in the General Meeting, in the manner stipulated in the Custody Agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.
- 13.2.3 If you do not wish to, or are unable to, participate in the General Meeting, but wish to vote thereat, you should provide your CSDP or Broker with your voting instructions in the manner stipulated in the Custody Agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.
- 13.2.4 You must **not** complete the attached Form of Proxy (*green*).
- 13.2.5 It is requested that the necessary letter of representation (and supporting identification documents) of Dematerialised Shareholders without “*own-name*” registration be delivered to the Transfer Secretaries, as follows:
- 13.2.5.1 by email at proxy@computershare.co.za;
- 13.2.5.2 by hand to Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
- 13.2.5.3 by post to Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132,
- so as to reach the Transfer Secretaries by no later than 10:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of such Dematerialised Shareholders who wish to participate by electronic communication at the General Meeting.
- 13.2.6 Dematerialised Shareholders without “*own-name*” registration are strongly urged to ensure the timeous receipt by the Transfer Secretaries of the above documents, as well as the necessary identification documents as, due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify a Cartrack Shareholder without “*own-name*” registration once the General Meeting has commenced.
- 13.2.7 **Cartrack does not accept responsibility, and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or Broker of a Dematerialised Shareholder, including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner to notify such beneficial owner of the General Meeting or of the matters set out in this Circular.**

### 13.3 Certificated Shareholders

- 13.3.1 If you have not Dematerialised your Cartrack Shares, then the following actions are relevant to you in connection with the General Meeting.
- 13.3.2 You may attend, speak and vote at the General Meeting, subject to sections 57 and 58 of the Companies Act, and as outlined in paragraph 13.4 below on page 14 of this Circular.
- 13.3.3 If you do not wish to or are unable to attend the General Meeting but wish to be represented thereat, you may appoint a proxy to attend, speak and vote in your stead. A proxy need not be a Cartrack Shareholder and shall be entitled to vote on a poll. If you wish to appoint a proxy you must complete the Form of Proxy (*green*) in accordance with the instructions contained therein and return same together with proof of identification (i.e. valid South African identity document, driver’s license or passport) and authority to do so (where acting in a representative capacity), to the Transfer Secretaries, as follows:
- 13.3.3.1 by email at proxy@computershare.co.za;
- 13.3.3.2 by hand to Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
- 13.3.3.3 by post to Private Bag X9000, Saxonwold,
- so as to reach the Transfer by no later than 48 (forty eight) hours before the General Meeting that is to be held at 10:00 on Wednesday, 17 February 2021, i.e. by 10:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Cartrack Shareholders and their proxies who wish to participate by electronic communication at the General Meeting.
- 13.3.4 Forms of Proxy (*green*) may be lodged in respect of the General Meeting immediately prior to the due commencement of the General Meeting, in accordance with the instructions therein, by emailing the Form of Proxy (*green*) to the Transfer Secretaries. However, please bear in mind that the reason why Cartrack Shareholders are asked to send in their Forms of Proxy (*green*) before the General Meeting is because Cartrack has over 1400 (one thousand four hundred) Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the General Meeting, if these checks have to be carried out by the scrutineers while the General Meeting is in progress.
- 13.3.5 You are encouraged to appoint a proxy if you do not intend to attend the General Meeting yourself in person.



## 13.4 Electronic Participation at the General Meeting

13.4.1 In light of the restrictions on public gatherings pursuant to the regulations issued in terms of section 27(2) of the DMA arising from the COVID-19 pandemic, and in accordance with the provisions of the Companies Act and the Cartrack MOI, the General Meeting will be conducted entirely through electronic communication. The electronic meeting facilities will permit all General Members to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting. Voting via the electronic facility will be the only method available to General Members to vote their Cartrack Shares at the General Meeting.

13.4.2 The electronic meeting facilities will permit all General Members to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to General Members to vote their Cartrack Shares at the General Meeting. The electronic facility which has been elected by Cartrack for purposes of the General Meeting is Lumi AGM, an electronic facility which may be accessed by using a smartphone, tablet or computer.

### 13.4.3 **Registration**

13.4.3.1 Should you wish to participate in the General Meeting you will be required to pre-register your personal details to enable you to participate in the General Meeting by taking the following action:

13.4.3.1.1 register online at [www.smartagm.co.za](http://www.smartagm.co.za) by no later than 10:00 on Monday, 15 February 2021. You may still register online to participate in and/or vote electronically at the General Meeting after this date and time, provided, however, that for you to participate and/or vote electronically at the General Meeting, you must be verified and registered before the commencement of the General Meeting; and

13.4.3.1.2 upload proof of identification (e.g. valid South African identity document, South African driver's license or passport), as well provide the following details: your name, surname, email address and contact number.

13.4.3.1.3 If you have Dematerialised your Cartrack Shares without "own name" registration then you must in addition to the actions listed above, request your CSDP or Broker to provide you with the necessary authority (i.e. letter of representation) in terms of the Custody Agreement entered into between you and your CSDP or Broker and upload same.

### 13.4.4 **Participation**

Following successful completion of the registration process contemplated above, you will be required to connect to the General Meeting by using the link below and following the relevant prompts:

<https://web.lumiagm.com>


### 13.4.5 **Access and Navigation**

13.4.5.1 Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.

13.4.5.2 Visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

13.4.5.3 Once you have either downloaded the Lumi AGM app or entered <https://web.lumiagm.com> into your web browser, you will be prompted to enter the Meeting ID, being Meeting ID: **186-288-357**.

13.4.5.4 Once you have successfully entered the Meeting ID, you will then be required to enter your username and password, both of which shall have been emailed to you following completion of the registration process contemplated above.

13.4.5.5 When you are successfully authenticated, the info screen  will be displayed. You can view company information, ask questions and watch the webcast.


13.4.5.6 If you would like to watch the webcast press the broadcast icon  at the bottom of the screen.

13.4.5.7 If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.

### 13.4.6 **Voting**

13.4.6.1 Shareholders connecting to the General Meeting will be able to participate in the General Meeting.

13.4.6.2 In terms of clause 20.23 of the MOI, the General Resolutions shall be decided on by way of poll.

13.4.6.3 The chairman will open voting on the General Resolutions at the start of the General Meeting. Once the voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen. From here, the General Resolutions and voting choices will be displayed.

13.4.6.4 To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received. The confirmation of your vote being received shall be depicted as follows: **For – Vote received**

- 13.4.6.5 To change your vote, simply select another direction. If you wish to cancel your vote, press “Cancel”.
- 13.4.6.6 Once the chairman has opened voting, voting can be performed at any time during the General Meeting until the chairman closes the voting on the General Resolutions. At that point your last choice will be submitted.
- 13.4.6.7 You will still be able to send messages and view the webcast whilst the poll is open.
- 13.4.6.8 Every General Member shall on a poll have that proportion of the total votes in Cartrack which the aggregate amount of the nominal value of the Cartrack Shares held by that General Member bears to the aggregate of the nominal value of all the Cartrack Shares issued by Cartrack.
- 13.4.6.9 **Although voting will be permitted by way of electronic communication, you are strongly encouraged to submit your votes by proxy before the General Meeting.**
- 13.4.7 **Assistance**
- If you experience any difficulty with (i) the registration process contemplated above, or (ii) logging into the General Meeting (by 10:00 on Wednesday, 17 February 2021) you should request an agent of the Transfer Secretaries to assist with such difficulty by emailing the following email address: proxy@computershare.co.za.
- 13.4.8 **Electronic Notice and Identification**
- 13.4.8.1 **IMPORTANT NOTE:** As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification, and the presiding person at the meeting must be reasonably satisfied, that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. So as to comply with this verification procedure set out in section 63(1) of the Companies Act, if you wish to participate electronically in the General Meeting you are strongly encouraged to email the Transfer Secretaries at proxy@computershare.co.za by no later than 10:00 on Monday, 15 February 2021 that you wish to participate via electronic communication at the General Meeting (the “**Electronic Notice**”). The Electronic Notice must contain a valid email address for the person wishing to participate and must be accompanied by:
- 13.4.8.1.1 if you are an individual, a certified copy of your original South African identity document and/or passport and/or South Africa driver’s licence;
- 13.4.8.1.2 if you are not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the South African identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and
- 13.4.8.1.3 in all cases, a valid email address and/or mobile telephone number (the contact email address/number).
- This is necessary in order to obtain a user, without which it will not be possible to participate in the General Meeting. Sufficient time is needed for the Transfer Secretaries to verify the participant and then assign a username which reflects the number of Cartrack Shares in respect of which voting is permitted. (If the number of Cartrack Shares reflected is nil, you will be able to attend the General Meeting and view the proceedings as a guest but will not be able to ask questions, make comments or vote).
- 13.4.8.2 If you do not send your Electronic Notice recording your intention to participate in the General Meeting to the Transfer Secretaries by 10:00 on Monday, 15 February 2021, you may still participate via electronic communication at the General Meeting and may email the Electronic Notice to the Transfer Secretaries at any time prior to the commencement of the General Meeting. **However, for the purpose of effective administration, should you wish to participate in the General Meeting you are strongly urged to send the Electronic Notice by 10:00 on Monday, 15 February 2021.**
- 13.4.9 Cartrack will make the webcast facilities available via Lumi AGM for the duration of the General Meeting at no cost to you. However, any third-party costs relating to the use or access of the webcast facilities will be for your own account.
- 13.4.10 You will be liable for your own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the JSE, Cartrack and/or the Transfer Secretaries.
- 13.4.11 Neither the JSE, Cartrack nor the Transfer Secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents you from participating in and/or voting at the General Meeting.
- 13.4.12 The provisions of this paragraph 13.4, in particular the procedures and action to be taken in order to participate electronically in the General Meeting, apply equal to your representative and or proxy (if any).

## **PART C: GENERAL**

### **14. Approval of the Scheme at the Scheme Meeting**

- 14.1 The Scheme must be approved by a special resolution, in accordance with section 115(2)(a) of the Companies Act and the Cartrack MOI, at the Scheme Meeting, at which sufficient Scheme Members must be present to exercise, in aggregate, at least 25% (twenty five percent) of all the voting rights that are entitled to be exercised at the Scheme Meeting.
- 14.2 In order for the Scheme Special Resolution, as set out in the Notice of Scheme Meeting, to be passed at the Scheme Meeting, the support of at least 75% (seventy five percent) of all of the voting rights exercised on the resolution by the Scheme Members present in person or represented by proxy at the Scheme Meeting, excluding an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them (as contemplated in section 115(4) of the Companies Act), is required.
- 14.3 In order for Ordinary Resolution Number 1, as set out in the Notice of Scheme Meeting, to be passed at the Scheme Meeting, the support of more than 50% (fifty percent) of all of the voting rights exercised on the resolution by the Scheme Members present in person or represented by proxy at the Scheme Meeting, is required.
- 14.4 For the sake of clarity, neither Karooooo nor Calisto shall be entitled to vote on the Scheme Resolutions, pursuant to section 115(4) of the Companies Act. However, if the Scheme becomes operative, Karooooo will acquire the Scheme Shares held by Calisto, who shall, consequently, be treated as a Scheme Participant.

### **15. Conditions applicable to the Scheme Special Resolution being proposed at the Scheme Meeting**

Eligible Cartrack Shareholders are advised to note the conditions to which the Scheme Special Resolution being put to the vote at the Scheme Meeting is subject, as more fully described in paragraph 6.2 above on page 6 of this Circular and restated in the Notice of Scheme Meeting.

### **16. Approval of the Specific Repurchase at the General Meeting**

The Specific Repurchase must be approved by way of a special resolution achieving a 75% (seventy five percent) majority of votes cast in favour thereof by all General Members present or represented by proxy at the General Meeting, excluding participants in the specific repurchase and their Associates in terms of paragraph 5.69(b) of the JSE Listings Requirements. Accordingly, in terms of paragraph 5.69(b) of the JSE Listings Requirements, the votes of the Cartrack Trust will be excluded in determining the number of votes in support of the aforementioned special resolution.

In order for Ordinary Resolution Number 1 as set out in the Notice of General Meeting to be passed at the General Meeting the support of more than 50% (fifty percent) of all of the voting rights exercised on the resolution by the General Members present in person or represented by proxy at the General Meeting, is required.

### **17. Conditions to the General Resolutions being proposed at the General Meeting**

Cartrack Shareholders are advised to note the conditions to which the General Resolutions being put to the vote at the General Meeting are subject, as more fully described in paragraph 12.2 above on page 13 of this Circular and restated in the Notice of General Meeting.

### **18. Potential Court Approval**

- 18.1 Eligible Cartrack Shareholders are advised that, in terms of section 115(3) of the Companies Act, Cartrack may, in certain circumstances, not proceed to implement the Scheme, despite the fact that the Scheme Special Resolution will have been adopted at the Scheme Meeting, without the approval of the Court.
- 18.2 A copy of section 115 of the Companies Act which details the circumstances under which court approval may be required for implementation of the Scheme, is set out in **Annexure B**.

### **19. Dissenting Cartrack Shareholders**

- 19.1 In terms of section 164 of the Companies Act, Scheme Members who are entitled to vote on the Scheme Special Resolution are entitled to seek relief in terms of section 164 of the Companies Act if that Scheme Member:
- 19.1.1 notified Cartrack in advance and in writing of its intention to oppose the Scheme Special Resolution;
  - 19.1.2 was present at the Scheme Meeting;
  - 19.1.3 voted against the Scheme Special Resolution; and
  - 19.1.4 sent Cartrack a valid demand contemplated in section 164(5) of the Companies Act.
- 19.2 A more detailed explanation of Dissenting Shareholders' Appraisal Rights is contained in paragraph 6.7 below on page 33 of this Circular.
- 19.3 In addition, a copy of section 164 of the Companies Act pertaining to Dissenting Shareholders' Appraisal Rights is set out in **Annexure C**.

20. **Dematerialisation or Re-materialisation of and trading in Cartrack Shares**

- 20.1 If you wish to Dematerialise your Cartrack Shares, please contact your CSDP or Broker. You do not need to Dematerialise your Cartrack Shares to participate in the Scheme or to receive any Scheme Consideration in terms of the Scheme.
- 20.2 You should note that once you have surrendered your Documents of Title in respect of your Cartrack Shares, in anticipation of the Scheme becoming operative, you may not Dematerialise or trade any of the Cartrack Shares to which those Documents of Title relate.
- 20.3 No Dematerialisation or re-materialisation of Cartrack Shares may take place:
- 20.3.1 from the Business Day following the Scheme Last Day to Trade prior to the Scheme Meeting up to and including the Scheme Voting Record Date in respect of the Scheme Meeting; and
- 20.3.2 if the Scheme becomes operative, on or after the Business Day following the Scheme Last Day to Trade.

21. **Foreign Shareholders**

- 21.1 If you are a Foreign Shareholder, you are urged to read the important information for Foreign Shareholders relating to the Scheme in the section titled: "*Important Legal Notices, Disclaimers and Forward-Looking Statements*" commencing on page 3 of this Circular, and the important information contained in paragraph 6.10 on page 35 (*Foreign Shareholders and Exchange Control Regulations*) of this Circular.
- 21.2 If you are in any doubt as to what action to take, please consult your CSDP, Broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor immediately.

22. **TRP Approval**

- 22.2.1 Eligible Cartrack Shareholders are advised that the Scheme constitutes an "*affected transaction*" as defined in section 117(1)(c)(iii) of the Companies Act, and as such, the Scheme is regulated by the Companies Act and the Takeover Regulations and therefore requires the approval of the TRP.
- 22.2.2 **Eligible Cartrack Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of "*affected transactions*" when it approves such transactions.**

23. **Other**

The contents of this Circular do not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and/or tax implications of the Proposed Transaction, the Specific Repurchase or any other matter for each Cartrack Shareholder. Cartrack Shareholders are, accordingly, advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the Proposed Transaction, the Specific Repurchase or any other matter and in particular the disposal of Scheme Shares, receipt of the Scheme Consideration and/or the Karooooo Shares in terms of the Reinvestment Offer, as applicable.

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## IMPORTANT INDICATIVE DATES AND TIMES

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The definitions and interpretations commencing on page 21 of this Circular apply, *mutatis mutandis*, to this section (unless context indicates otherwise).

All dates and times are indicative only, are based on current expectations and are subject to change.

	<b>2021</b>
Last Practicable Date	Friday, 08 January
Record date to determine which Cartrack Shareholders are eligible to receive the Circular and Notices ( <b>Record Date</b> )	Friday, 08 January
Circular posted to Cartrack Shareholders and Notices on SENS on	Tuesday, 19 January
Notices published in the South African press on	Wednesday, 20 January
Last day to trade in Cartrack Shares in order to be eligible to attend, participate in and vote at the Meetings ( <b>Voting Last day to Trade</b> )	Tuesday, 09 February
Record date to be eligible to attend, participate in and vote at the Meetings, being the <b>Voting Record Date</b> , by close of trade	Friday, 12 February
Recommended last date and time to lodge Forms of Proxy ( <i>green</i> ), for administrative purposes, in respect of the General Meeting with the Transfer Secretaries by 10:00 (SAST) on	Monday, 15 February
Last date and time to deliver a written notice to participate electronically in the General Meeting with the Transfer Secretaries by 10:00 (SAST) on	Monday, 15 February
Recommended last date and time to lodge Forms of Proxy ( <i>blue</i> ), for administrative purposes, in respect of the Scheme Meeting with the Transfer Secretaries by 11:00 (SAST) on	Monday, 15 February
Last date and time to deliver a written notice to participate electronically in the Scheme Meeting with the Transfer Secretaries by 11:00 (SAST) on	Monday, 15 February
Last day for any Scheme Members to deliver a written notice to Cartrack objecting to the Scheme Special Resolution in accordance with section 164(3) of the Companies Act before the relevant resolution is to be voted on at the Scheme Meeting on	Wednesday, 17 February
<b>General Meeting</b> to be held entirely by electronic communication at 10:00 on	Wednesday, 17 February
<b>Scheme Meeting</b> to be held entirely by electronic communication at 11:00 (or immediately after the conclusion or adjournment of the General Meeting) on	Wednesday, 17 February
Results of the Meetings released on SENS on	Wednesday, 17 February
Results of the Meetings published in the South African press on	Thursday, 18 February
<b><i>If the Scheme is duly approved by the Scheme Members at the Scheme Meeting</i></b>	
Last date for Scheme Members who voted against the Scheme Special Resolution to require Cartrack to seek Court approval for the Scheme in terms of section 115(3)(a) of the Companies Act, if the Scheme Special Resolution was opposed by at least 15% (fifteen percent) of the total voting rights that were exercised on	Wednesday, 24 February
Last day on which Scheme Members who voted against the Scheme Special Resolution to apply to Court for leave to apply for a review of the Scheme in terms of section 115(3)(b) of the Companies Act on	Wednesday, 03 March
Last date for Cartrack to give notice of adoption of the Scheme Special Resolution to Scheme Members who delivered written notices to Cartrack objecting to the relevant special resolutions in accordance with section 164 of the Companies Act	Wednesday, 03 March
Last day for Dissenting Shareholders, by reason of the adoption of the Scheme Special Resolution to make a demand to Cartrack that Cartrack pay such Dissenting Shareholders the fair value of all Cartrack Shares held by them, in terms of section 164(7) of the Companies Act on	Thursday, 01 April

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**The following dates assume that no Court approval or review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional:**

Compliance certificate to be received from the TRP on	Wednesday, 17 March
Expected Implementation Date of the Specific Repurchase ( <b>Specific Repurchase Implementation Date</b> )	Thursday, 18 March
Finalisation announcement expected to be released on SENS on ( <b>Scheme Finalisation Date</b> )	Thursday, 18 March
Finalisation announcement expected to be published in the South African press on	Friday, 19 March
Application for the delisting of the Cartrack Shares lodged with the JSE on	Wednesday, 24 March
Expected Scheme Last day to Trade, being the last day to trade Cartrack Shares on the JSE in order to be recorded in the Register to receive the Scheme Consideration (or part thereof) ( <b>Scheme Last Day to Trade</b> )	Monday, 29 March
Expected suspension of listing of Cartrack Shares from the Main Board of the JSE at commencement of trading on	Tuesday, 30 March
Last day to deliver Forms of Surrender and Transfer ( <i>pink</i> ) and Documents of Title (in order to receive the Scheme Consideration (or part thereof) on the Scheme Operative Date) to be received by the Transfer Secretaries, by 12h00 (SAST) on	Thursday, 01 April
Expected <b>Scheme Consideration Record Date</b> , being the date on which Scheme Members must be recorded in the Register in order to be eligible to receive the Scheme Consideration, by close of trade on	Thursday, 01 April
Expected Scheme Operative Date on or about	Tuesday, 06 April
Dematerialised Scheme Participants expected to have their accounts (held at their CSDP or broker) debited with the Scheme Shares and credited with the Scheme Consideration (or part thereof) on	Tuesday, 06 April
Expected date of payment of the Scheme Consideration (or part thereof) to be settled electronically or posted to Certificated Scheme Participants (if the Form of Surrender and Transfer ( <i>pink</i> ) and Documents of Title are received by the Transfer Secretaries by 12:00 on the Scheme Consideration Record Date) on	Tuesday, 06 April
Expected termination of listing of Cartrack Shares on the Main Board of the JSE at the commencement of trade on	Wednesday, 07 April

**Notes:**

- All of the above dates and times are subject to change by mutual agreement between Cartrack and Karooooo and with the approval of the JSE and/or TRP. The dates have been determined based on certain assumptions regarding the dates by which certain regulatory approvals including, but not limited to, that of the JSE and TRP, will be obtained and that no Court approval or review of the Scheme will be required. Any change will be released on SENS and published in the South African press.
- Eligible Cartrack Shareholders are referred to paragraph 6.7 below on page 33 of this Circular (which contains a summary of Dissenting Shareholders' Appraisal Rights in respect of the Scheme) regarding timing considerations relating to the Appraisal Rights afforded to Shareholders.
- Cartrack Shareholders should note that as transactions in Cartrack Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 (three) Business Days after such trade. Therefore persons who acquire Cartrack Shares after the Voting Last Day to Trade (expected to be Tuesday, 09 February 2021) will not be eligible to vote at the Meetings but will, provided the Scheme is approved and they acquire the Cartrack Shares on or prior to the Scheme Last Day to Trade (expected to be Monday, 29 March 2021), participate in the Scheme (i.e. dispose of their Scheme Shares in accordance with the Scheme for the Scheme Consideration).
- In light of the COVID-19 pandemic restrictions, it is requested that Forms of Proxy (and valid supporting identification documents) be delivered, in accordance with the instructions contained therein, so as to reach the Transfer Secretaries by no later than 48 (forty eight) hours before the Meeting that is to be held on Wednesday, 17 February 2021, i.e. by 10:00 on Monday, 15 February 2021, in respect of the General Meeting, and by 11:00 on Monday, 15 February 2021 in respect of the Scheme Meeting, so as to assist Cartrack to timeously verify the identity of the Cartrack Shareholders and their proxies who wish to participate by electronic communication at the Meeting. The applicable Form of Proxy may be lodged in respect of the Meeting immediately prior to the due commencement of the Meeting, in accordance with the instructions therein, by emailing those Forms of Proxy to the Transfer Secretaries. However, please bear in mind that the reason why Cartrack Shareholders are asked to send in their Forms of Proxy before the Meeting is because Cartrack has over 1400 (one thousand four hundred) Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the Meetings, if these checks have to be carried out by the scrutineers while the Meeting is in progress.
- If the Scheme Meeting and/or General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial Scheme Meeting and/or General Meeting will remain valid in respect of any adjournment or postponement of the Scheme Meeting and/or General Meeting.
- Unless otherwise indicated, all times given in this Circular are South African Standard Time (SAST).
- If the Scheme becomes operative, share certificates may not be Dematerialised or re-materialised after the Scheme Last Day to Trade.
- If any Scheme Member who votes against the Scheme Special Resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme, the dates and times set out above will need to be amended. Cartrack Shareholders will be notified separately of the applicable dates and times under this process.
- All dates and times applicable to the Reinvestment Offer will be set out in detail in the Karooooo Prospectus which will be made available to Scheme Participants following the Scheme Meeting (which is expected to be on or about Wednesday, 17 February 2021) but prior to the Scheme Operative Date (which is expected to be on or about Tuesday, 06 April 2021). The exact date and time of the availability of the Karooooo Prospectus will be notified to Scheme Participants in due course.**

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular and its Annexures, unless otherwise stated or clearly indicated by the context, 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 natural person include references to a juristic person and *vice versa*.

“Advisors”	collectively the Transaction Sponsor, the Joint Financial Advisors, the Tax Advisor and the Legal Advisors, whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Annexures”	the annexures to this Circular;
“Appraisal Rights”	the rights afforded to Eligible Cartrack Shareholders in terms of section 164 of the Companies Act, as set out in <b>Annexure C</b> of this Circular;
“Associate/s”	an associate in relation to either an individual or to a company, as the case may be, and as contemplated and defined in the JSE Listings Requirements;
“Beneficial Owner”	a shareholder on whose behalf any Certificated Share is held by a nominee or on whose behalf a Dematerialised Share (not held on an Own Name basis) is held by a CSDP or Broker, or a nominee of a CSDP or Broker, in accordance with a Custody Agreement;
“Broker”	any person registered as a “ <i>broker member equities</i> ” in terms of the rules of the JSE in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or proclaimed public holiday in South Africa from time to time;
“Calisto”	Isaias Jose “Zak” Calisto, the founder and Group Chief Executive Officer of Cartrack, a citizen of South Africa and Portugal, a permanent resident of Singapore since September 2015 and residing in Singapore since February 2014;
“Cartrack” or the “Company”	Cartrack Holdings Limited (Registration Number: 2005/036316/06), a public company duly incorporated in South Africa, the entire issued share capital of which is listed on the Main Board of the JSE in the <i>Business Support Services</i> sector of the list, and with its principal place of business at 11 Keyes Avenue Rosebank, 2196, South Africa;
“Cartrack Board”	the board of directors of Cartrack whose names are set out on page 27 of this Circular;
“Cartrack Business”	the business of the Cartrack Group, operating principally within the Software-as-a-Service and Telematics industries;
“Cartrack Director”	a member of the Cartrack Board at the Last Practicable Date, whose details are set out on page 27 of this Circular;
“Cartrack Group” or the “Group”	Cartrack, Cartrack Proprietary Limited (Registration Number: 2001/006063/07), Cartrack Technologies Pte. Ltd. (Unique Entity No. 201129934D), and each of its subsidiaries, associates and joint ventures;
“Cartrack MOI”	the MOI of Cartrack as amended and replaced from time to time;
“Cartrack Shareholders”	registered holders of Cartrack Shares, and includes Eligible Cartrack Shareholders;
“Cartrack Shares”	ordinary no par value shares in the issued share capital of Cartrack;
“Cartrack Trust”	the Cartrack Executive Incentive Trust, a trust established in South Africa under Master’s reference number: IT003705/2015(G). As at the Last Practicable Date the Cartrack Trust has no beneficiaries;
“Cartrack Trust Shares”	1 234 000 (one million two hundred and thirty four thousand) Cartrack Shares held by the Cartrack Trust, constituting 0.41% (zero point four one percent) of the issued share capital of Cartrack as at the Last Practicable Date;
“cents”	South African cents, a denomination of the official currency of South Africa;
“Certificate” or “Certificated”	the process by which electronic records of ownership of shares are replaced with paper share certificates and/or other Documents of Title;
“Certificated Eligible Shareholders”	Eligible Cartrack Shareholders who hold Certificated Shares;
“Certificated Scheme Participants”	Scheme Participants who are Certificated Eligible Shareholders;
“Certificated Shareholders”	Cartrack Shareholders who hold Certificated Shares;

<b>“Certificated Shares”</b>	Cartrack Shares, evidenced by share certificates or other physical Documents of Title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
<b>“Circular”</b>	this bound document, dated Tuesday, 19 January 2021, including the Annexures hereto incorporating the Notices, Forms of Proxy, Form of Surrenders and Transfer ( <i>pink</i> );
<b>“Common Monetary Area”</b>	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
<b>“Companies Act”</b>	the South African Companies Act, No. 71 of 2008 and the Takeover Regulations promulgated thereunder as amended and substituted from time to time;
<b>“Conditions Precedent”</b>	the conditions precedent to which the Scheme (and the associated Delisting) and the Reinvestment Offer (and the associated JSE Listing) is subject to, as set out in paragraph 6.3 below on page 31 of this Circular (in respect of the Scheme) and paragraph 8.12 on page 37 of this Circular (in respect of the Reinvestment Offer);
<b>“Court”</b>	any South African court with competent jurisdiction to approve the implementation of the Scheme Special Resolution pursuant to section 115 of the Companies Act and/or to review the Scheme Special Resolution and/or to determine the fair value of the Scheme Shares and/or to make an order pursuant to section 164(14) of the Companies Act;
<b>“CSD”</b>	a central securities depository licensed under the Financial Markets Act;
<b>“CSDP”</b>	a Central Securities Depository Participant, accepted as a “ <i>participant</i> ” in terms of the Financial Markets Act;
<b>“Custody Agreement”</b>	a custody mandate agreement which may be concluded between a shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on the respective sub-register of the applicable shareholders as administered by such CSDP or Broker on behalf of such shareholders;
<b>“Delisting Date”</b>	the date on which the Delisting is intended to be implemented, which is expected to be on or about Wednesday, 07 April 2021;
<b>“Delisting” or “Delisted”</b>	the proposed termination of the listing of Cartrack Shares on the JSE, pursuant to the Scheme becoming operative;
<b>“Dematerialised” or “Dematerialisation”</b>	the process by which certificated shares are converted to an electronic form as uncertificated shares registered in the sub register of shareholders maintained by a CSDP;
<b>“Dematerialised Eligible Shareholders”</b>	Eligible Cartrack Shareholders who hold Dematerialised Cartrack Shares;
<b>“Dematerialised Scheme Participants”</b>	Scheme Participants who are Dematerialised Eligible Shareholders;
<b>“Dematerialised Shareholders”</b>	Cartrack Shareholders who holds Dematerialised Shares;
<b>“Dematerialised Shares”</b>	Cartrack Shares that have been Dematerialised;
<b>“Dissenting Shareholder”</b>	an Eligible Cartrack Shareholder who validly exercises his, her or its Appraisal Rights and demand, in terms of sections 164(5) to 164(8) of the Companies Act, that Cartrack pay him, her or it the fair value of all his, her or its Cartrack Shares, for so long as none of the circumstances contemplated in section 164(9) of the Companies Act have occurred in relation to such Eligible Cartrack Shareholder;
<b>“DMA”</b>	the South African Disaster Management Act, No. 57 of 2002, as amended;
<b>“Documents of Title”</b>	valid share certificate(s), certified transfer deed(s), balance receipts or any other documents of title acceptable to Cartrack in respect of the Cartrack Shares;
<b>“EFT”</b>	electronic funds transfer;
<b>“Eligible Cartrack Shareholders”</b>	Cartrack Shareholders, other than Karooooo and the Cartrack Trust, who are eligible to participate in the Scheme and, consequently, the Reinvestment Offer;
<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations of South Africa, as amended and promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
<b>“Excluded Dissenting Shareholder/s”</b>	Dissenting Shareholders who accept an offer made to them by Cartrack in terms of section 164(11) of the Companies Act or, pursuant to an order of Court, tender their Cartrack Shares to Cartrack in terms of section 164(15)(v) of the Companies Act;
<b>“Excluded Shareholders”</b>	in respect of the Scheme, Karooooo, the Cartrack Trust and the Excluded Dissenting Shareholder/s;
<b>“Finalisation Date”</b>	the date on which all the Conditions Precedent have been fulfilled (or, where appropriate, waived);



<b>“Financial Markets Act”</b>	the South African Financial Markets Act, No. 19 of 2012, and the regulations thereunder, as amended from time to time;
<b>“Financial Year”</b>	a period of 12 (twelve) months ended on the last day of February of that particular year;
<b>“Firm Intention Announcement”</b>	the announcement by Cartrack setting out, amongst other things, the terms of a firm intention by Karooooo to effect the Proposed Transaction to be proposed by Cartrack, as released on SENS on Thursday, 07 January 2021;
<b>“Firm Intention Offer Letter”</b>	the letter by Karooooo: (i) regarding the Proposed Transaction; (ii) containing, amongst other things, the basis and terms of the Proposed Transaction; and (iii) which governs, amongst other things, the implementation of the Scheme;
<b>“Foreign Shareholder”</b>	a Cartrack Shareholder who is a non-resident of South Africa as contemplated in the Exchange Control Regulations;
<b>“Form/s of Proxy”</b>	in the case of the: (i) Scheme Meeting, the Form of Proxy (blue) attached to and forming part of this Circular, where applicable; and (ii) General Meeting, the Form of Proxy ( <i>green</i> ) attached to and forming part of this Circular;
<b>“Form of Surrender and Transfer”</b>	the form of surrender and transfer ( <i>pink</i> ) of Documents of Title attached to and forming part of this Circular, for use only by Certificated Eligible Shareholders who wish to surrender their Cartrack Shares in terms of the Scheme;
<b>“General Meeting”</b>	the general meeting of Cartrack Shareholders convened in terms of the Notice of General Meeting attached to, and forming part of, this Circular, to consider and, if deemed fit, pass, with or without modification, the General Resolutions, which meeting is expected to be held entirely by electronic communication at 10:00 on Wednesday, 17 February 2021 or such other adjourned or postponed date or time determined in accordance with the Companies Act (as read with the JSE Listings Requirements);
<b>“General Member/s”</b>	Cartrack Shareholders recorded in the register on the Voting Record Date who are lawfully entitled to attend and vote at the General Meeting;
<b>“General Resolutions”</b>	Special Resolution Number 1 and Ordinary Resolution Number 1 to the Notice of the General Meeting required to be approved by the General Members (entitled to vote) in order to implement and give effect to the Specific Repurchase;
<b>“Georgem”</b>	Georgem Holdings Proprietary Limited (Registration Number: 2012/106706/07), a private company duly incorporated in South Africa;
<b>“IFRS”</b>	the International Financial Reporting Standards as issued by the International Accounting Standards Board, as amended from time to time;
<b>“Income Tax Act”</b>	the Income Tax Act, No. 58 of 1962, as amended from time to time;
<b>“Independent Board”</b>	the members of the Cartrack Board, who have been identified as being independent for the purposes of the Scheme in terms of regulation 81 of the Takeover Regulations, being Kim White, Aloysius Thebeetsile Ikalafeng and Sharoda Rapeti;
<b>“Independent Expert Report”</b>	the report prepared by the Independent Expert in accordance with section 114 of the Companies Act and regulation 90 and 110 of the Takeover Regulations, and attached as <b>Annexure A</b> to this Circular;
<b>“Independent Expert”</b>	the independent expert appointed by the Independent Board in terms of regulation 110 of the Takeover Regulations to provide the Independent Board with appropriate external advice in the form of the Independent Expert Report being, BDO Corporate Finance Proprietary Limited, whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
<b>“Irrevocable Undertakings” or “Undertakings”</b>	the irrevocable undertakings given by certain of the Eligible Cartrack Shareholders to: (i) vote in favour of the Scheme; (ii) vote in favour of the Specific Repurchase; and (iii) participate in the Reinvestment Offer; as more fully described in paragraph 18 below on page 42 of this Circular;
<b>“Joint Financial Advisors”</b>	collectively, Rand Merchant Bank (a division of FirstRand Bank Limited) and Merrill Lynch (Singapore) Pte. Ltd., whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
<b>“JSE”</b>	the JSE Limited (Registration Number: 2005/022939/06), a public company duly incorporated in South Africa and licensed as an exchange under the Financial Markets Act;
<b>“JSE Listing”</b>	the proposed inward listing of the Karooooo Shares on the JSE, as more fully contemplated in paragraph 8.1 on page 36 of this Circular;
<b>“JSE Listings Requirements”</b>	the JSE Listings Requirements of the JSE, as amended or supplemented from time to time;

<b>“Karoo0000”</b>	Karoo0000 Pte. Ltd. (previously known as Karoo Pte. Ltd) (Unique Entity Number: 201817157Z), a private company duly incorporated Singapore;
<b>“Karoo0000 Board”</b>	the board of directors of Karoo0000;
<b>“Karoo0000 Prospectus”</b>	the proposed combined document comprising a: <ul style="list-style-type: none"> <li>(i) prospectus, prepared in accordance with the prospectus disclosure requirements in section 100 of the Companies Act and Companies Regulations 51 to 79, in terms of which Scheme Participants are invited to participate in the Reinvestment Offer; and</li> <li>(ii) pre-listing statement, prepared in terms of the applicable disclosure requirements under the JSE Listings Requirements, relating to the JSE Listing, which will be made available by Karoo0000 following the Scheme Meeting (which is expected to be on or about 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting)) but prior to the Scheme Operative Date (which is expected to be on or about Tuesday, 06 April 2021). The exact date and time of the availability of the Karoo0000 Prospectus will be notified to Scheme Participants in due course;</li> </ul>
<b>“Karoo0000 Shares”</b>	the issued and paid-up shares of Karoo0000, which comprise ordinary shares of no par value of Karoo0000;
<b>“Last Practicable Date”</b>	Friday, 08 January 2021, being the last practicable date prior to finalisation of this Circular;
<b>“Legal Advisors”</b>	collectively, South African Legal Advisors and Singapore Legal Advisor;
<b>“Listings”</b>	the NASDAQ Listing and the JSE Listing;
<b>“Longstop Date”</b>	by no later than 23h59 on Friday, 09 April 2021, or such other date as may be agreed in writing between Cartrack and Karoo0000, being the date by which all the Conditions Precedent must be fulfilled (or, where appropriate, waived);
<b>“Material Adverse Change”</b>	any change in the financial or securities markets, interest rates, or other general economic, political or financial conditions in South Africa which result in The Financial Times Stock Exchange (FTSE)/JSE All Share Index (ALSI) dropping by at least 25% (twenty five percent) as determined with reference to the FTSE/ALSI on the date the Firm Intention Announcement was released on SENS, being Thursday, 07 January 2021;
<b>“Meetings”</b>	the Scheme Meeting and the General Meeting, together with any meetings held as a result of any postponement or adjournment or a reconvening thereof, and <b>“Meeting”</b> means either one of them, as the context may require;
<b>“MOI”</b>	the memorandum of incorporation of a company, as contemplated under the Companies Act;
<b>“NASDAQ”</b>	the NASDAQ Global Select Market;
<b>“NASDAQ Listing”</b>	the proposed listing of the Karoo0000 Shares on the NASDAQ;
<b>“Notices”</b>	the Notice of Scheme Meeting and/or Notice of General Meeting, as the case may be;
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting (which is attached to and forms part of this Circular) to conduct the business described therein, and to consider and, if deemed fit, adopt, with or without modification, the General Resolutions, and which notice is attached to, and forms part of, this Circular;
<b>“Notice of Scheme Meeting”</b>	the notice convening the Scheme Meeting (which is attached to and forms part of this Circular) to conduct the business described therein, and to consider and, if deemed fit, adopt, with or without modification, the Scheme Resolutions, and which notice is attached to, and forms part of, this Circular;
<b>“Offer Period”</b>	shall bear the meaning ascribed to such term in section 117(1)(g) of the Companies Act, being the period which commenced upon the release on SENS of the Firm Intention Announcement;
<b>“Proposed Transaction”</b>	collectively, the Scheme and the Reinvestment Offer;
<b>“Rand” or “R”</b>	the lawful currency of South Africa;
<b>“Reinvestment Entitlement Ratio”</b>	shall have the meaning ascribed to such term in paragraph 8.6 below on page 36 of this Circular;
<b>“Reinvestment Offer”</b>	the proposed offer to be made by Karoo0000 to Eligible Cartrack Shareholders, who become the Scheme Participants, to utilise up to a maximum of their Scheme Consideration to subscribe for Karoo0000 Shares in connection with the JSE Listing at the same value in accordance with the Reinvestment Entitlement Ratio, the terms and conditions of which will be contained in the Karoo0000 Prospectus, the salient details of which are described in paragraph 8 on page 36 of this Circular for information purposes;
<b>“Register”</b>	Cartrack’s securities register, including the Uncertificated Securities Register;
<b>“Registered Office”</b>	the registered office of Cartrack, being 11 Keyes Avenue, Rosebank, 2196, South Africa;

<b>“Regulated Intermediary”</b>	a regulated intermediary as contemplated in section 64D of the Income Tax Act;
<b>“Resolutions”</b>	the Scheme Resolutions and/or the General Resolutions, as the case may be;
<b>“SARS”</b>	the South African Revenue Service;
<b>“SAST”</b>	South African Standard Time;
<b>“Scheme”</b>	the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Cartrack Board between Cartrack and the Eligible Cartrack Shareholders in terms of which, if the Scheme becomes operative, Karo0000 will acquire all the Scheme Shares held by Scheme Participants for the Scheme Consideration, and the Scheme Participants will be obliged to transfer their rights, title and interest in and to the Scheme Shares to Karo0000, subject to the Dissenting Shareholders’ Appraisal Rights, as more fully contemplated in this Circular;
<b>“Scheme Consideration”</b>	ZAR42.00 (forty two Rand) for every 1 (one) Scheme Share held by the Scheme Participants on the Scheme Consideration Record Date;
<b>“Scheme Consideration Record Date”</b>	the time and date on which Eligible Cartrack Shareholders must be recorded in the Register in order to participate in the Scheme and receive the Scheme Consideration, which time and date is expected to be 17:00 on Thursday, 01 April 2021;
<b>“Scheme Last Day to Trade”</b>	the last day to trade Scheme Shares on the JSE in order to be recorded in the Register on the Scheme Consideration Record Date, and which date is expected to be Monday 29 March 2021;
<b>“Scheme Meeting”</b>	the meeting of Scheme Members to be convened in terms of section 115(2) and section 63(2) of the Companies Act (including any adjournment or postponement thereof), to be held entirely by electronic communication at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting) or such other adjourned or postponed date or time determined in accordance with the Companies Act (as read with the JSE Listings Requirements) to consider and, if deemed fit, pass, with or without modification, the Scheme Resolutions necessary to approve and implement the Scheme;
<b>“Scheme Members”</b>	Eligible Cartrack Shareholders recorded in the register on the Voting Record Date who are lawfully entitled to attend and vote at the Scheme Meeting, which for the sake clarity excludes Karo0000 and Calisto;
<b>“Scheme Operative Date”</b>	the date on which the Scheme becomes operative and Scheme Participants are entitled to receive the Scheme Consideration in exchange for Karo0000 acquiring their Scheme Shares, being the 1 <sup>st</sup> (first) Business Day immediately after the fulfilment (or waiver, where applicable) of the Conditions Precedent, expected to be Tuesday, 06 April 2021;
<b>“Scheme Participants”</b>	Scheme Members, other than the Excluded Shareholders, recorded in the register as at 17:00 on the Scheme Consideration Record Date;
<b>“Scheme Resolutions”</b>	the Scheme Special Resolution, together with the other resolutions proposed to be adopted at the Scheme Meeting as included in the Notice of Scheme Meeting attached to and forming part of this Circular;
<b>“Scheme Shares”</b>	all of the Cartrack Shares held by the Scheme Participants on the Scheme Consideration Record Date;
<b>“Scheme Special Resolution”</b>	Special Resolution Number 1 to the Notice of the Scheme Meeting required to be approved by the Scheme Members in order to implement and give effect to the Scheme;
<b>“SEC”</b>	the United States Securities and Exchange Commission;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“SFA”</b>	the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time;
<b>“Singapore”</b>	the Republic of Singapore;
<b>“Singapore Companies Act”</b>	the Companies Act, Chapter 50 of Singapore, as amended from time to time;
<b>“Singapore Insolvency, Restructuring and Dissolution Act”</b>	the Insolvency, Restructuring and Dissolution Act 2018, No. 40 of 2018 of Singapore, as amended from time to time;
<b>“Singapore Legal Advisor”</b>	Allen & Gledhill LLP, whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
<b>“Singapore Take-Over Code”</b>	the Singapore Code on Take-Overs and Mergers, as amended from time to time;
<b>“Software-as-a-Service or SaaS”</b>	a method of software delivery and licensing in which software is accessed online via a subscription, rather than bought and installed on individual computers;
<b>“South Africa”</b>	the Republic of South Africa;

<b>“South African Legal Advisors”</b>	collectively, the legal advisors to: (i) Cartrack and Karooooo being Edward Nathan Sonnenbergs Incorporated; and (ii) the Independent Board being Norton Rose Fulbright South Africa Incorporated, whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
<b>“Specific Repurchase”</b>	the proposed repurchase of the Cartrack Trust Shares by Cartrack from the Cartrack Trust for the Specific Repurchase Consideration, as set out in paragraph 9 below of page 38 of this Circular;
<b>“Specific Repurchase Consideration”</b>	an amount equal to the Scheme Consideration per Cartrack Trust Share;
<b>“Specific Repurchase Implementation Date”</b>	the date on which the Specific Repurchase is intended to be implemented, which is expected to be on or about Tuesday, 06 April 2021;
<b>“Strate”</b>	the share settlement and clearing system utilised by the JSE for all share transactions concluded on the JSE, managed by Strate Proprietary Limited (Registration Number: 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa;
<b>“Takeover Regulations”</b>	the Takeover Regulations set forth in chapter 5 (Fundamental Transactions and Takeover Regulations) of the Companies Regulations, 2011, promulgated under the Companies Act;
<b>“Tax Advisor”</b>	the tax advisor to Cartrack being Edward Nathan Sonnenbergs Incorporated whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
<b>“Telematics”</b>	the branch of information technology which deals with the long-distance transmission of computerised information, which includes fleet management, asset recovery and insurance telematics markets;
<b>“Transaction Sponsor”</b>	Merrill Lynch South Africa Proprietary Limited, whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
<b>“Transfer Secretaries”</b>	the transfer secretaries of Cartrack, being Computershare Investor Services Proprietary Limited, whose details are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
<b>“TRP” or “Takeover Regulation Panel”</b>	the Takeover Regulation Panel, established by section 196 of the Companies Act;
<b>“Uncertificated Securities Register”</b>	a register of Dematerialised Shareholders maintained in terms of the Companies Act and administered by a shareholder’s CSDP in electronic form, which forms part of the Register;
<b>“Voting Last day to Trade”</b>	the last day to trade Cartrack Shares on the JSE in order to be recorded in the Register to vote at the Scheme Meeting, which date is expected to be on Tuesday, 09 February 2021;
<b>“Voting Record Date”</b>	the date determined by the Independent Board as the date on which: Eligible Cartrack Shareholders must be recorded in the Register in order to be entitled to participate in and vote at the Scheme Meeting, which date is expected to be on Friday, 12 February 2021; and
<b>“ZAR” or “Rand” or “R”</b>	South African rand, the official currency of South Africa.

**Notes:**

In this Circular, unless the context indicates a contrary intention:

1. any word or expression defined in the JSE Listings Requirements, the Companies Act and/or the Takeover Regulations and not expressly defined in this Circular shall have the meaning given in the JSE Listings Requirements, the Companies Act and/or the Takeover Regulations (as applicable);
2. headings are to be ignored in construing this Circular;
3. references to a paragraph or Annexure are to a paragraph of, or Annexure to, this Circular;
4. any reference to a time of day is a reference to South Africa Standard Time (SAST), unless a contrary indication appears;
5. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
6. a reference to any other document referred to in this circular is a reference to that other document as amended, revised, varied, novated or supplemented at any time;
7. where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a business day, in which event the last day shall be the next succeeding business day;
8. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s; and
9. references to law and regulation or any similar such word shall be deemed to include the rules of any stock exchange by which Cartrack and Karooooo are bound, and specifically includes the JSE Listings Requirements.



# KAROOOOO

**CARTRACK HOLDINGS LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration Number: 2005/036316/06)  
(JSE share code: CTK ISIN: ZAE000198305)  
("Cartrack" or "Company")

**KAROOOOO PTE. LTD.**  
(previously known as Karoo Pte. Ltd.)  
(Incorporated in Singapore)  
(Unique Entity Number: 201817157Z)  
("Karoooooo")

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## CARTRACK DIRECTORS

### Executive

Isaias Jose Calisto (Zak)  
(Group Chief Executive Officer)

Morné Grundlingh  
(Group Chief Financial Officer)

### Independent Non-executive

David Jamie Brown (Chairman)  
Aloysius Thebeetsile Ikalafeng  
Kim White  
Sharoda Rapeti

## KAROOOOO DIRECTORS

### Executive

Isaias Jose Calisto (Zak)  
(Group Chief Executive Officer)

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## COMBINED CIRCULAR TO CARTRACK SHAREHOLDERS

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### 1. INTRODUCTION

- 1.1 Cartrack Shareholders are referred to the cautionary announcements released on SENS on 09 September 2020, 22 October 2020 and 03 December 2020 and to the subsequent Firm Intention Announcement released on SENS on Thursday, 07 January 2021 and published in the South African press on Monday, 11 January 2021, advising of the firm intention of Karooooo to, *inter alia*, make a cash offer to acquire all the Cartrack Shares not already owned by it for ZAR42.00 (forty two Rand) per Scheme Share, which will be implemented by way of a scheme of arrangement in terms of section 114 (as read with section 115) of the Companies Act, on the terms set out in paragraph 6 of this Circular.
- 1.2 The operation of the Scheme is subject to the fulfilment (or, where appropriate, waiver) of the Conditions Precedent, which conditions include, *inter alia*, that the Scheme must be approved by the requisite majority of Scheme Members at the Scheme Meeting, as detailed in the Notice of Scheme Meeting.
- 1.3 As a consequence of the Scheme, in terms of paragraph 1.17(b) of the JSE Listings Requirements, Cartrack shall apply to the JSE for approval for the Delisting of the Cartrack Shares from the Main Board of the JSE with effect from Wednesday, 07 April 2021, subject to the Scheme becoming operative.
- 1.4 If the Conditions Precedent are fulfilled (or, where appropriate, waived) the Scheme will become operative, in which case (and subject to the provisions of this Circular):
  - 1.4.1 the Scheme Participants will be deemed to have disposed of all the Scheme Shares to Karooooo, who will be deemed to have acquired all the Scheme Shares for the Scheme Consideration;
  - 1.4.2 Karooooo will hold all of the issued Cartrack Shares (including the Scheme Shares) and, consequently, Cartrack will become a wholly owned subsidiary of Karooooo, with effect from the Scheme Operative Date; and
  - 1.4.3 all of the Cartrack Shares (including the Scheme Shares and the Cartrack Shares held by Karooooo) listed on the Main Board of the JSE will be Delisted.
- 1.5 Upon the Scheme becoming operative (and subject to the provisions of this Circular and any prescribed pre-listings/prospectus documents in respect of the Listings (including the Karooooo Prospectus):
  - 1.5.1 the Karooooo Shares will be listed on the NASDAQ with an inward listing on the JSE; and
  - 1.5.2 Scheme Participants who elected to participate in the Reinvestment Offer, will utilise up to a maximum of their Scheme Consideration to subscribe for Karooooo Shares at the same value in accordance with the Reinvestment Entitlement Ratio, resulting in the value of the Scheme Participants' effective interest in Cartrack remaining unchanged after full reinvestment and prior to any primary capital raise that may be undertaken by Karooooo.
- 1.6 The Scheme constitutes an "affected transaction" as defined in section 117(1)(c)(iii) of the Companies Act, and as such, the Scheme is regulated by the Companies Act and the Takeover Regulations and therefore requires the approval of the TRP.
- 1.7 To obtain a full understanding of the terms and conditions of the Scheme (and the associated Delisting) and the Specific Repurchase, as well as the background and rationale for same, this Circular should be read in its entirety.

- 1.8 To obtain a full understanding of the terms and conditions of the Listings and the Reinvestment Offer, as well as the background and rationale thereof, the prescribed pre-listings/prospectus documents in respect of the Listings (including the Karooooo Prospectus), when made available, should be read in its entirety together with this Circular. **Please note that whilst the salient details of the Reinvestment Offer have been included in this Circular for the benefit of the Eligible Cartrack Shareholders, the Reinvestment Offer does not form part of the Scheme and will be made pursuant to the Karooooo Prospectus.**

## 2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to:

- 2.1 provide Eligible Cartrack Shareholders with relevant information regarding the Scheme (and the associated Delisting), including the:
- 2.1.1 background and rationale for the Scheme (and the associated Delisting); and
  - 2.1.2 the terms and conditions on which Karooooo proposes the Scheme to Eligible Cartrack Shareholders for Karooooo to acquire all the Scheme Shares;
- 2.2 provide Eligible Cartrack Shareholders with salient information about the proposed Listings and the Reinvestment Offer;
- 2.3 provide Eligible Cartrack Shareholders with other relevant statutorily-required information in respect of the Scheme, including, *inter alia*, the: (i) Independent Expert Report prepared in terms of section 114(3) of the Companies Act and regulation 90 and 110 of the Takeover Regulations; and (ii) Independent Board's views, opinion and recommendation regarding the Scheme and the Scheme Consideration, having *inter alia*, obtained and given due consideration to the Independent Expert Report, in each case so as to enable the Eligible Cartrack Shareholders to make an informed decision as to whether or not they should vote in favour of the Scheme Resolutions set out in the Notice of the Scheme Meeting;
- 2.4 give the required notice to convene the Scheme Meeting, in order for Eligible Cartrack Shareholders to consider and determine whether to pass, with or without modification, the Scheme Resolutions set out in the Notice of Scheme Meeting, which notice is attached hereto, and forms part of, this Circular;
- 2.5 provide Cartrack Shareholders with the relevant information regarding the Specific Repurchase;
- 2.6 give the required notice to convene the General Meeting, in order for Cartrack Shareholders to consider and determine whether to pass, with or without modification, the General Resolutions set out in the Notice of General Meeting, which notice is attached hereto, and forms part of, this Circular; and
- 2.7 inform Dissenting Shareholders of their rights and the manner in which such rights may be exercised.

## 3. CORPORATE, BUSINESS AND REGULATORY PROFILE OF THE CARTRACK GROUP

- 3.1 Cartrack is a leading global provider of real-time mobility data analytics solutions for smart transportation.
- 3.2 Cartrack offers a comprehensive, cloud-based smart mobility platform for connected vehicles and other assets. Its Software-as-a-Service platform provides its customers with differentiated insights and analytics to optimise their business and workforce, increase efficiency and decrease costs, improve safety, monitor environmental impact, assist with regulatory compliance and manage risk. Cartrack's business is vertically integrated, which affords it complete autonomy with regard to the development of the capabilities and features that differentiate its applications as well as the speed of its innovation. Cartrack owns and controls every aspect of its smart device design, platform innovation, software application development, client acquisition and on-boarding, customer service and the management of its back-end support.
- 3.3 The Cartrack Group's organic growth since being launched in 2004 has resulted in an extensive footprint in 23 (twenty three) countries across 5 (five) continents, supporting more than 1 200 000 (one million two hundred thousand) subscribers. In addition, Cartrack's highly scalable platform serves large multinational enterprises and individual consumers alike, enabling it to address a large, growing and underpenetrated global market.
- 3.4 Cartrack's vision is to achieve and sustain global leadership in smart mobility, providing the technology platform of choice for users seeking intelligent and actionable insights.
- 3.5 Cartrack was listed on the JSE on 19 December 2014.

## 4. CORPORATE, BUSINESS AND REGULATORY PROFILE OF KAROOOOO

### 4.1 Corporate Information

- 4.1.1 On 19 May 2018, Karooooo was incorporated in Singapore as a private company limited by shares under the Singapore Companies Act, as an investment holding company.
- 4.1.2 As at the Last Practicable Date, Karooooo holds 67.78% (sixty seven point seven eight percent) of the issued share capital of Cartrack, comprising 203 328 943 (two hundred and three million three hundred and twenty eight thousand nine hundred and forty three) Cartrack Shares.
- 4.1.3 Prior to the Listings, Karooooo intends to convert from a Singapore private limited company to a Singapore public limited company. Upon such conversion, Karooooo will be known as "Karooooo Ltd".
- 4.1.4 The salient terms of Karooooo's proposed constitution, following the aforementioned change of name and conversion, are set out in **Annexure H** hereto.

#### 4.2 **Board of Directors**

4.2.1 As at the Last Practicable Date, the sole director of Karooooo is Calisto.

4.2.2 Karooooo intends to appoint additional directors prior to the Listings.

#### 4.3 **Share Capital and Shareholding**

4.3.1 As at the Last Practicable Date, the entire issued share capital of Karooooo is beneficially held by Calisto.

4.3.2 At the Scheme Operative Date, the shares of Karooooo will be held by Calisto and all Scheme Participants who have elected to participate in the Reinvestment Offer. Such shareholding is, therefore, expected to mirror that of Cartrack except to the extent that any Scheme Participants do not elect (or partially elects) to participate in the Reinvestment Offer and to the extent Karooooo issues any new Karooooo Shares ahead of such date.

#### 4.4 **Assets of Karooooo**

4.4.1 Karooooo's sole asset is its 67.78% (sixty seven point seven eight percent) shareholding in the issued share capital of Cartrack comprising 203 328 943 (two hundred and three million three hundred and twenty eight thousand nine hundred and forty three) Cartrack Shares. Immediately upon implementation of the Scheme, Karooooo's sole asset will be 100% (one hundred percent) of the issued share capital of Cartrack.

4.4.2 Ultimately, Karooooo will serve as the sole holding company of the Cartrack Group and the Cartrack Business.

#### 4.5 **Holding Shares in a Singaporean Company**

If Scheme Participants elect to participate in the Reinvestment Offer, they will be eligible to receive Karooooo Shares and, thus, they will hold shares in a company incorporated in Singapore which is inwardly listed on the JSE. This means that the laws of Singapore would regulate the company in which such Scheme Participants hold shares. The rights of shareholders under Singapore law may differ to those under South African law. In order to provide Scheme Participants with further information about owning shares in a Singaporean company this Circular sets out in:

4.5.1 **Annexure I** hereto a summary of the material differences between the rights and protections afforded to a shareholder holding an equity instrument in a company duly incorporated in South Africa and those afforded to a shareholder holding an equity instrument in a company duly incorporated in Singapore, which result from differences in the laws of South Africa and Singapore; and

4.5.2 **Annexure J** hereto a summary of key exchange control, tax and other considerations under the laws of Singapore.

### 5. **RATIONALE FOR THE PROPOSED TRANSACTION**

#### 5.1 **Cartrack's rationale for the Proposed Transaction**

5.1.1 Cartrack believes that the Proposed Transaction (embodying the Scheme and the Reinvestment Offer) will:

5.1.1.1 create a more efficient global corporate and operating structure which is reflective of the Cartrack Group's international operations and global growth strategy;

5.1.1.2 accelerate the Cartrack Group's global growth strategy;

5.1.1.3 enable the Cartrack Group to attract and retain international talent to Singapore (a country which attracts global talent);

5.1.1.4 provide the Cartrack Group with access to global technology infrastructure and research and development;

5.1.1.5 assist in attracting a substantially larger and more diverse international pool of investors who understand the long-term value dynamics of Software-as-a-Service;

5.1.1.6 provide the Cartrack Group with access to global capital markets;

5.1.1.7 potentially yield a re-rated company valuation of the Cartrack Group similar to global software peers; and

5.1.1.8 enable Scheme Participants to remain invested in the Cartrack Group, by virtue of holding Karooooo Shares (which will be listed on an internationally recognised exchange (being the NASDAQ) and inwardly listed on the JSE), resulting in broader liquidity in international markets.

5.1.2 Karooooo, which already holds 67.78% (sixty seven point seven eight percent) of the issued shares of Cartrack, is a company incorporated in Singapore. The Cartrack Group has also already established the head office of its non-South African businesses in Singapore, in close proximity to its growth markets. Singapore is a technological hub, with a pool of knowledge that can benefit South Africa, and provides the Cartrack Group access to a large talent pool. Obtaining highly skilled know-how and engineers to further globalise the products and services for the expansion into markets like Asia and Europe will be crucial in driving the business forward. Singapore has adopted a forward thinking approach to integrating cutting-edge technology with progressive transportation policies, and is leading the way in the latest mobility tools, platforms and services, as well as autonomous driving and real-time, digitised traffic management.

- 5.1.3 Notably, the NASDAQ investors and analysts are familiar with the Software-as-a-Service industry and its long-term dynamics.
- 5.1.4 The Cartrack Board, accordingly, believes that it is appropriate for the Cartrack Group to have its listing on the NASDAQ with an inward listing on the JSE to improve shareholder growth potential in the long term.

**5.2 Karooooo's rationale for the Proposed Transaction**

Karooooo believes that the Proposed Transaction will enable Karooooo, as the controlling shareholder of Cartrack wholly owned by the founder and Group Chief Executive Officer of the Cartrack Group, to achieve its objective of facilitating and implementing the Cartrack Group's global growth strategy and to take advantage of future global auto tech opportunities.

Karooooo acknowledges that the Eligible Cartrack Shareholders have supported and believed in the Cartrack Group and, accordingly, it is Karooooo's intention to enable Scheme Participants to remain invested in the long-term value, benefits and strong growth opportunities of the Cartrack Group following the Scheme Operative Date, by virtue of the Reinvestment Offer.

**6. TERMS AND CONDITIONS OF THE SCHEME**

In terms of section 114(1) of the Companies Act, the Cartrack Board proposes the Scheme, as set out in this paragraph 6, between Cartrack and the Eligible Cartrack Shareholders.

**6.1 Authority to implement the Scheme**

6.1.1 At the Scheme Meeting, provided that Cartrack has not received a written notice from any Scheme Members in terms of section 164(3) of the Companies Act objecting to the Scheme Special Resolution and the chairperson of the Scheme Meeting has not exercised his/her discretion to close the Scheme Meeting without putting the Scheme Resolutions to a vote, the following resolutions will be proposed to the Scheme Members to approve the implementation of the Scheme (and the associated Delisting):

- 6.1.1.1 a special resolution in terms of section 114(1) (as read with section 115(2)(a)) of the Companies Act will be proposed to the Scheme Members, in order to approve the implementation of the Scheme; and
- 6.1.1.2 an ordinary resolution will be proposed to the Scheme Members, in order to provide the Cartrack Directors with the authority to act.

6.1.2 For the sake of clarity, neither Karooooo nor Calisto shall be entitled to vote on the Scheme Resolutions, pursuant to section 115(4) of the Companies Act. However, if the Scheme becomes operative, Karooooo will acquire the Scheme Shares held by Calisto, who shall, consequently, be treated as a Scheme Participant.

**6.2 Mechanics of the Scheme**

6.2.1 The Scheme is proposed by the Cartrack Board between Cartrack and the Scheme Participants pursuant to which Karooooo will acquire ownership of the Scheme Shares from Scheme Participants for the Scheme Consideration in terms of section 114(1) of the Companies Act.

6.2.2 The implementation of the Scheme is subject to the fulfilment (or, where appropriate, waiver) of the Conditions Precedent, as more fully set out in paragraph 6.3 below on page 31 of this Circular.

6.2.3 If the Scheme becomes operative, it shall be binding on all the Scheme Participants (irrespective of whether a Scheme Participant voted in favour of the Scheme or not) and each Scheme Participant shall be deemed, with effect from the Scheme Operative Date, to have:

- 6.2.3.1 disposed of (and shall be deemed to have undertaken to transfer) their Scheme Shares, free of encumbrances, to Karooooo with effect from the Scheme Operative Date for the Scheme Consideration, and Karooooo shall be deemed to have purchased all the Scheme Shares with effect from the Scheme Operative Date, without any further act or instrument being required, for the Scheme Consideration;
- 6.2.3.2 irrevocably and *in rem suam* authorised Cartrack and/or the Transfer Secretaries, as agent, with full power of substitution, to cause the Scheme Shares disposed of by the Scheme Participant in terms of the Scheme to be transferred to Karooooo on the Scheme Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as may be necessary or expedient in order to effect the transfer; and
- 6.2.3.3 instructed Cartrack as principal, but with power to appoint agents, to procure that the Scheme Consideration (or part thereof) is paid to the Scheme Participants entitled thereto, in accordance with the terms and conditions of the Scheme as set out in Circular.

6.2.4 Should the Scheme become operative, the Scheme Participants shall if they are:

- 6.2.4.1 Certificated Scheme Participants, against surrender by them of the Documents of Title in respect of their Scheme Shares, have their Scheme Shares transferred to Karooooo and receive the Scheme Consideration (or part thereof); and
- 6.2.4.2 Dematerialised Scheme Participants, have their Scheme Shares transferred to Karooooo and the Scheme Consideration (or part thereof) transferred to their CSDP or Broker who should credit them with the Scheme Consideration (or part thereof), in terms of the Custody Agreement entered into between such Dematerialised Scheme Participants and their CSDP or Broker.



- 6.2.5 The rights of the Scheme Participants to receive the Scheme Consideration (or part thereof) in respect of the Scheme Shares held by them will be rights enforceable by the Scheme Participants against Cartrack only, subject to the terms and conditions set out in this Circular. Scheme Participants will be entitled to require Cartrack to enforce its rights in terms of the Scheme against Karooooo.
- 6.2.6 As a consequence of implementation of the Scheme, in terms of paragraph 1.17(b) of the JSE Listings Requirements, the Delisting will be implemented automatically by virtue of JSE being satisfied that Cartrack no longer qualifies for listing.
- 6.2.7 The effect of the Scheme will, amongst other things, be that Karooooo will, with effect from the Scheme Operative Date, become the registered and beneficial owner of all the Scheme Shares, which shares shall then be Delisted from the Main Board of the JSE. None of the Scheme Shares will be transferred to any other person.
- 6.2.8 Cartrack, Karooooo and the Independent Board undertake that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all documents necessary to give effect to the Scheme.

### 6.3 Conditions Precedent to the Scheme

- 6.3.1 The implementation of the Scheme is subject to the fulfilment (or, where appropriate, waiver) of the following conditions precedent by no later than the Longstop Date:
  - 6.3.1.1 the Conditions Precedent to the Reinvestment Offer having been fulfilled, save for any condition relating to the Scheme becoming unconditional;
  - 6.3.1.2 the Scheme having been approved by the requisite majority of the Scheme Members at the Scheme Meeting as contemplated in sections 114(1) and 115(2)(a) of the Companies Act, as described in more detail in the Notice of Scheme Meeting;
  - 6.3.1.3 to the extent that the provisions of section 115(2)(c) of the Companies Act become applicable:
    - 6.3.1.3.1 the Scheme being approved by the Court pursuant to section 115(3) of the Companies Act unconditionally, or if subject to conditions, the person on whom such conditions are imposed approves such conditions and undertakes in writing to comply therewith; and
    - 6.3.1.3.2 Cartrack not treating the aforesaid special resolution as a nullity in terms of section 115(5)(b) of the Companies Act;
  - 6.3.1.4 the Takeover Regulation Panel having issued a compliance certificate in respect of the Scheme as required by section 115(1)(b) read with section 119(4)(b) and section 121(b) of the Companies Act, provided that if such compliance certificate is issued conditionally or on terms, this condition shall not be regarded as having been fulfilled unless the party which is affected by such conditions, confirm in writing that such condition or term is acceptable to it, acting reasonably;
  - 6.3.1.5 subject to paragraph 6.3.3 below, within the time period prescribed in section 164(7) of the Companies Act, Cartrack Shareholders not having exercised their Appraisal Rights, by giving valid demands in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% (five percent) of all the Cartrack Shares;
  - 6.3.1.6 the JSE approving the Delisting pursuant to the implementation of the Scheme, in accordance with the JSE Listings Requirements;
  - 6.3.1.7 the SEC declaring effective a registration statement to permit, and the NASDAQ approving of, a listing of the Karooooo Shares on the NASDAQ; and
  - 6.3.1.8 no Material Adverse Change having arisen prior to the close of business on the Business Day immediately preceding Finalisation Date.
- 6.3.2 Cartrack and Karooooo shall use their reasonable endeavours and the parties will co-operate in good faith to procure the fulfilment of the Conditions Precedent which are within their control to fulfil as soon as reasonably possible.
- 6.3.3 The Conditions Precedent set out in:
  - 6.3.3.1 paragraph 6.3.1.5 above has been stipulated for the benefit of Cartrack and Cartrack shall be entitled to waive the fulfilment of the aforesaid Condition Precedent (in whole or in part) at any time before the Longstop Date (or such other date as Cartrack and Karooooo may agree in writing); and
  - 6.3.3.2 paragraph 6.3.1.8 above has been stipulated for the benefit of Karooooo and Karooooo shall be entitled to waive the fulfilment of the aforesaid Condition Precedent (in whole or in part) at any time before the Longstop Date (or such other date as Cartrack and Karooooo may agree in writing).

The remaining Conditions Precedent stipulated above are not capable of waiver.
- 6.3.4 The Longstop Date may be extended by written agreement between Cartrack and Karooooo from time to time, subject to any approval as may be required from the TRP and/or the JSE. Any extension of the Longstop Date will be announced on SENS and published in the South African press.

#### 6.4 Scheme Consideration

- 6.4.1 In the event of the Conditions Precedent being fulfilled (or, where appropriate, waived) and the Scheme becoming operative, Karooooo will acquire the Scheme Shares from the Scheme Participants at an aggregate price of ZAR42.00 (forty two Rand) per Scheme Share, to be settled in cash.
- 6.4.2 The Independent Board believes that the Scheme Consideration reflects fair and reasonable value for the Scheme Shares. In this regard, Eligible Cartrack Shareholders are referred to paragraph 23.3 below on page 44 of this Circular and the Independent Expert Report attached as **Annexure A**.

#### 6.5 Settlement of the Scheme Consideration

- 6.5.1 Subject to the remaining provisions of this paragraph 6.5 and to the Scheme becoming operative, the Scheme Participants will be entitled to receive the Scheme Consideration.
- 6.5.2 The Scheme Consideration will be settled by Cartrack, on behalf Karooooo, in cash and such settlement to Scheme Participants (who are Foreign Shareholders) will be subject to the Exchange Control Regulations, the salient provisions of which are set out in **Annexure D** to this Circular.
- 6.5.3 Subject to paragraph 6.5.7 below on page 33 of this Circular, Karooooo and/or the Transfer Secretaries will administer and effect payments of the Scheme Consideration to Scheme Participants.
- 6.5.4 If the Scheme becomes operative:
- 6.5.4.1 Dematerialised Scheme Participants will have their accounts at their CSDP or Broker credited with the Scheme Consideration (or part thereof) and debited with the Scheme Shares on the Scheme Operative Date, or in the case of Dissenting Shareholders who subsequently become Scheme Participants as envisaged in paragraph 6.7.9 below on page 34 of this Circular, on the date contemplated in paragraph 6.7.10 below on page 34 of this Circular; and
- 6.5.4.2 Certificated Scheme Participants:
- 6.5.4.2.1 who have submitted their Documents of Title and duly completed Form of Surrender and Transfer (*pink*) to the Transfer Secretaries by 12:00 on the Scheme Consideration Record Date (expected to be Thursday, 01 April 2021), will have the Scheme Consideration (or part thereof) paid to them by way of an EFT into the South African bank account nominated by them in Part C of the Form of Surrender and Transfer (*pink*), on the Scheme Operative Date;
- 6.5.4.2.2 who submit their Documents of Title and duly completed Form of Surrender and Transfer (*pink*) after 12:00 on the Scheme Consideration Record Date (expected to be Thursday, 01 April 2021) will have the Scheme Consideration (or part thereof) paid to them by way of an EFT into the South African bank account nominated by them in Part C of the Form of Surrender and Transfer (*pink*), within 5 (five) Business Days of the Transfer Secretaries receiving their Documents of Title and duly completed Form of Surrender and Transfer (*pink*) or were Dissenting Shareholders who have subsequently become Certificated Scheme Participants as envisaged in paragraph 6.7.9 below on page 34 of this Circular, in which case such Certificated Scheme Participants will still need to submit their Documents of Title, together with their duly completed Forms of Surrender and Transfer (*pink*) to the Transfer Secretaries and payment of the Scheme Consideration (or part thereof) will be paid to them by way of an EFT into the South African bank account nominated by them in Part C of the Form of Surrender and Transfer (*pink*), on the date set out in paragraph 6.7.10 below on page 34 of this Circular; or
- 6.5.4.2.3 in the event that a Certificated Scheme Participant fails to submit their Documents of Title and duly completed Form of Surrender and Transfer (*pink*) to the Transfer Secretaries or in respect of a Dissenting Shareholder who subsequently becomes a Certificated Scheme Participant as envisaged in paragraph 6.7.9 below on page 34 of this Circular, the Scheme Consideration (or part thereof) payable to such Certificated Scheme Participant will be held in trust by Cartrack (or any third party nominated by Cartrack and Karooooo for this purpose) for the benefit of the Certificated Scheme Participant concerned for a maximum period of 3 (three) years, after which period such funds shall be made over to the Guardian's Fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by Cartrack (or its nominee).
- 6.5.5 Subject to paragraph 9.4.2 above on page 10 of this Circular, should the account details provided by any Certificated Scheme Participant in Part C on the Form of Surrender and Transfer (*pink*) be incorrect and/or incomplete, it will not be possible to credit such account with the Scheme Consideration (or part thereof), in which case such Certificated Scheme Participant's Scheme Consideration (or part thereof) will be held with the Transfer Secretaries until such time as correct and/or completed information is received.
- 6.5.6 Where, on or subsequent to the Scheme Operative Date, a person, who was not a registered holder of Scheme Shares on the Scheme Consideration Record Date, tenders to the Transfer Secretaries Documents of Title together with a duly executed Form of Surrender and Transfer (*pink*), and, provided that the Scheme Consideration attaching to such Scheme Shares has not already been paid out or discharged in some other manner, then such transfer may be accepted by Karooooo as if it were a valid transfer to such person of the Scheme Shares concerned, provided that Karooooo has been, if Karooooo so requires, provided with an indemnity on terms acceptable to Karooooo in respect of such Scheme Consideration.

- 6.5.7 The Scheme Consideration (or part thereof) will be transferred to Scheme Participants, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Karooooo may otherwise be, or claim to be, entitled.
- 6.5.8 In the case of Scheme Participants who are Foreign Shareholders, please refer to **Annexure D** to this Circular.

## 6.6 Effects of the Scheme

- 6.6.1 If the Conditions Precedent are fulfilled (or, where appropriate, waived) in accordance with its terms, the Scheme will become operative, in which case (and subject to the provisions of this Circular):
- 6.6.1.1 the Scheme Participants shall be deemed, with effect from the Scheme Operative Date, to have disposed of and transferred their Scheme Shares to Karooooo and Karooooo shall be deemed to have acquired all the Scheme Shares, for payment of the Scheme Consideration, and the Scheme Participants shall no longer be shareholders of Cartrack;
  - 6.6.1.2 Karooooo will hold all of the issued Cartrack Shares (including the Scheme Shares) and, consequently, Cartrack will become a wholly owned subsidiary of Karooooo, with effect from the Scheme Operative Date; and
  - 6.6.1.3 all of Cartrack's Shares listed on the Main Board of the JSE will be delisted.
- 6.6.2 Upon the Scheme becoming operative (and subject to the provisions of this Circular and any prescribed pre-listings/prospectus documents in respect of the Listings (including the Karooooo Prospectus):
- 6.6.2.1 the Karooooo Shares will be listed on the NASDAQ with an inward listing on the JSE; and
  - 6.6.2.2 the Scheme Participants who elected to participate in the Reinvestment Offer, pursuant to the terms and conditions of the Karooooo Prospectus, will utilise up to a maximum of their Scheme Consideration to subscribe for Karooooo Shares at the same value in accordance with the Reinvestment Entitlement Ratio, resulting in the value of the Scheme Participants' effective interest in Cartrack remaining unchanged after full reinvestment and prior to any primary capital raise that may be undertaken by Karooooo.
- 6.6.3 If the Conditions Precedent are not fulfilled (or, where appropriate, waived) in accordance with its terms, then the Scheme shall not become operative and, consequently, Eligible Cartrack Shareholders will continue to hold their Cartrack Shares in the ordinary course and the *status quo ante* shall remain.
- 6.6.4 The effect of the Scheme will, amongst other things, be that Karooooo will, with effect from the Scheme Operative Date, become the registered and beneficial owner of all the issued Cartrack Shares, which shares shall then be Delisted from the Main Board of the JSE. Cartrack shall have its securities register updated accordingly.
- 6.6.5 The nature of the Cartrack Business is not likely to change pursuant to the Delisting. The composition of the Cartrack Board will be considered and may be reconstituted in light of the governance requirements for an unlisted company in accordance with the Companies Act requirements following the Delisting.

## 6.7 Dissenting Shareholders' Appraisal Rights

- 6.7.1 Eligible Cartrack Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. This paragraph 6.7 only provides a summary of the provisions relating to Appraisal Rights in terms of section 164 of the Companies Act, the full provisions of which are contained in **Annexure C** to this Circular.
- 6.7.2 In terms of section 164(2)(b) of the Companies Act, Eligible Cartrack Shareholders are entitled to the Appraisal Rights provided for in section 164 of the Companies Act. Eligible Cartrack Shareholders who wish to exercise their rights in terms of the aforementioned section of the Companies Act are required to:
- 6.7.2.1 before the Scheme Special Resolution to approve the Scheme is voted on at the Scheme Meeting give notice to Cartrack in writing objecting to the Scheme Special Resolution under section 164(3) of the Companies Act; and
  - 6.7.2.2 vote against the Scheme Special Resolution at the Scheme Meeting.
- 6.7.3 If the Scheme Special Resolution approving the Scheme has been adopted, Cartrack is required in terms of section 164(4) of the Companies Act, within 10 (ten) Business Days after the Scheme Special Resolution approving the Scheme has been adopted, to send a notice to each Eligible Cartrack Shareholder who gave written notice referred to in paragraph 6.7.2 above and did not withdraw such written notice or vote in support of the Scheme Special Resolution, notifying them that the Scheme Special Resolution has been adopted.
- 6.7.4 Eligible Cartrack Shareholders who gave written notice to Cartrack in terms of paragraph 6.7.2.1 above (and have not withdrawn that notice) and who have complied with all the procedural requirements set out in section 164 may, in terms of sections 164(5) to 164(8) of the Companies Act, if the Scheme Special Resolution is adopted, demand that Cartrack pay them a fair value for the Scheme Shares held by that Eligible Cartrack Shareholder and in respect of which they have given the aforesaid written notice ("**Demand**"). The Demand must be delivered:
- 6.7.4.1 within 20 (twenty) Business Days after receipt of the notice from Cartrack referred to in paragraph 6.7.3 above; or
  - 6.7.4.2 if the Eligible Cartrack Shareholder does not receive the notice from Cartrack referred to in paragraph 6.7.3 above, within 20 (twenty) Business Days after learning that the Scheme Special Resolution has been adopted.

- 6.7.5 The Demand must also be delivered to the TRP and must set out:
- 6.7.5.1 the Dissenting Shareholder's name and address;
  - 6.7.5.2 the number of Scheme Shares in respect of which the Dissenting Shareholder seeks payment; and
  - 6.7.5.3 a demand for payment of the fair value of those Scheme Shares. The fair value of the Scheme Shares is determined as at the date on which, and the time immediately before, the Scheme Special Resolution was adopted.
- 6.7.6 If Cartrack receives a Demand and such Demand is not withdrawn by the Scheme Operative Date, Cartrack shall, in accordance with section 164(11) of the Companies Act, with 5 (five) Business Days of the Scheme Operative Date, make an offer to those Eligible Cartrack Shareholders to purchase such Scheme Shares ("**Appraisal Rights Offer**").
- 6.7.7 A Dissenting Shareholder may withdraw its Demand before Cartrack makes the Appraisal Rights Offer or if Cartrack fails to make such an offer. If a Dissenting Shareholder voluntarily withdraws its demand made, as contemplated in paragraph 6.7.4 above, it will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Scheme Shares will be acquired by Karooooo, in accordance with the Scheme, with retrospective effect from the Scheme Operative Date.
- 6.7.8 The Appraisal Rights Offer will, in terms of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the Dissenting Shareholder within 30 (thirty) Business Days after it was made. If the Dissenting Shareholder allows the Appraisal Rights Offer to lapse, it will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Scheme Shares will be acquired by Karooooo, in accordance with paragraphs 6.5.4.1 above or 6.5.4.2.2 above (as the case may be), with retrospective effect from the Scheme Operative Date.
- 6.7.9 A Dissenting Shareholder who has sent a Demand has no further rights in respect of the Scheme Shares in respect of which it has made such Demand, other than to be paid the fair value of such Scheme Shares, unless:
- 6.7.9.1 that Dissenting Shareholder withdraws that Demand before Cartrack makes the Appraisal Rights Offer;
  - 6.7.9.2 Cartrack fails to make the Appraisal Rights Offer and that Dissenting Shareholder withdraws its Demand; or
  - 6.7.9.3 Cartrack makes the Appraisal Rights Offer and the Dissenting Shareholder allows such offer to lapse,
- in which case Eligible Cartrack Shareholder's rights shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption.
- 6.7.10 If the Scheme becomes operative, any Dissenting Shareholder whose shareholder rights are reinstated as envisaged in paragraph 6.7.9 above:
- 6.7.10.1 before 12h00 (SAST) on the Scheme Consideration Record Date, shall be deemed to be a Scheme Participant and be eligible to participate in the Scheme and be subject to the ordinary terms and conditions of the Scheme; or
  - 6.7.10.2 after 12h00 (SAST) on the Scheme Consideration Record Date, shall be deemed to have been a Scheme Participant with retrospective effect from the Scheme Consideration Record Date, provided that settlement of the Scheme Consideration and transfer of that Dissenting Shareholder's Scheme Shares to Cartrack shall take place in accordance with paragraphs 6.5.4.1 or 6.5.4.2 above (as the case may be),
- and such Dissenting Shareholder, as a term of the Scheme, authorises Cartrack and/or the Transfer Secretaries in its place and stead, and for and on its behalf, to transfer its Scheme Shares to Karooooo against payment of the Scheme Consideration (or part thereof) and to take all other action and steps necessary to give effect to the aforementioned.
- 6.7.11 A Dissenting Shareholder who accepts the Appraisal Rights Offer will become an Excluded Dissenting Shareholder and will not participate in the Scheme or the Reinvestment Offer. The Excluded Dissenting Shareholder must thereafter, if it (i) holds Certificated Shares tender the Documents of Title in respect of such Certificated Shares to Cartrack or the Transfer Secretaries or (ii) holds Dematerialised Shares, instruct its CSDP or Broker to transfer those Scheme Shares to Cartrack or the Transfer Secretaries. Cartrack must pay that Excluded Dissenting Shareholder the agreed amount within 10 (ten) Business Days after the Excluded Dissenting Shareholder has accepted the Appraisal Rights Offer and tendered the documents of Title or directed the transfer to Cartrack of the Dematerialised Shares.
- 6.7.12 A Dissenting Shareholder who considers the Appraisal Rights Offer to be inadequate may, in accordance with section 164(14) of the Companies Act, apply to a Court to determine a fair value in respect of the Scheme Shares that were the subject of that demand, and an order requiring Cartrack to pay the Dissenting Shareholder the fair value so determined. The Court will, in accordance with section 164(15)(v) of the Companies Act, be obliged to make an order requiring:
- 6.7.12.1 the Dissenting Shareholders to either withdraw their respective demands or to tender their Scheme Shares as contemplated in paragraph 6.7.13 below; and

- 6.7.12.2 Cartrack to pay the fair value in respect of the Scheme Shares (as determined by the Court) to each Dissenting Shareholder who tenders its Scheme Shares, subject to any conditions the Court considers necessary to ensure that Cartrack fulfils its obligations under section 164 of the Companies Act.
- 6.7.13 If, pursuant to the order of the Court, any Dissenting Shareholder withdraws its demand, the Dissenting Shareholder will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Scheme Shares will be acquired by Karo0000, in accordance with paragraphs 6.5.4.1 above or 6.5.4.2.2 above (as the case may be), with retrospective effect from the Scheme Operative Date.
- 6.7.14 If, pursuant to the order of the Court, a Dissenting Shareholder tenders its Scheme Shares to Cartrack, such Dissenting Shareholder will become an Excluded Dissenting Shareholder and will not participate in the Scheme or the Reinvestment Offer.
- 6.7.15 Eligible Cartrack Shareholders should have regard to the following factors relating to the Scheme, before exercising any rights under section 164 of the Companies Act:
- 6.7.15.1 the Independent Expert Report set out in **Annexure A**, which concludes that the terms of the Scheme are fair and reasonable; and
- 6.7.15.2 the Court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.
- 6.7.16 Eligible Cartrack Shareholders wishing to exercise their Appraisal Rights are strongly advised to take professional advice in connection with such decision.
- 6.8 Funding of the Scheme Consideration**
- 6.8.1 Karo0000 is required to provide an irrevocable and unconditional cash confirmation to the TRP in favour of the Scheme Participants from a third party that sufficient cash is held in escrow or a bank guarantee to the TRP from a South African bank unconditionally and irrevocably guaranteeing settlement of the full cash consideration payable in terms of the Scheme.
- 6.8.2 The aggregate number of Scheme Shares to be acquired by Karo0000 is 95 437 057 (ninety five million four hundred and thirty seven thousand and fifty seven) Scheme Shares. As at the Last Practicable Date, Cartrack Shareholders holding 76 645 163 (seventy six million six hundred forty five thousand one hundred sixty three) Cartrack Shares have provided Karo0000 with Irrevocable Undertakings to fully participate in the Reinvestment Offer as more fully detailed in paragraph 18.2 below on page 43 of this Circular. Accordingly, if all the holders of the remaining 18 791 894 (eighteen million seven hundred and ninety one thousand eight hundred and ninety four) Scheme Shares do not elect to participate in the Reinvestment Offer, the maximum aggregate Scheme Consideration payable by Karo0000 will be ZAR789 259 548 (seven hundred and eighty nine million two hundred and fifty nine thousand five hundred and forty eight Rand).
- 6.8.3 Furthermore, the maximum aggregate cash amount to be refunded to Scheme Participants as a result of any fractional interest in Karo0000 Shares pursuant to the Reinvestment Offer will be ZAR3 402 (three thousand four hundred and two Rand).
- 6.8.4 In compliance with regulations 111(4) and 111(5) of the Takeover Regulations, and pursuant the exemption granted by the TRP to Karo0000 pursuant to section 119(6) of the Companies Act, Karo0000 has provided the TRP with an irrevocable and unconditional confirmation letter issued by Rand Merchant Bank (a division of FirstRand Bank Limited), confirming that an aggregate amount of ZAR789 262 950 (seven hundred and eighty nine million two hundred and sixty two thousand nine hundred and fifty Rand) (being an amount sufficient to settle the maximum aggregate Scheme Consideration and the maximum aggregate cash amount to be refunded for fractional entitlements), is held in escrow (the “**Escrow Confirmation Letter**”). Payment under the Escrow Confirmation Letter is subject to the Scheme becoming unconditional in accordance with the terms and conditions of the Scheme.
- 6.8.5 Karo0000 confirms, in accordance with regulation 106(6)(c) of the Takeover Regulations, that its repayment of the financing obtained to fund the aggregate Scheme Consideration will not depend upon the business of Cartrack nor anticipated receipts of distributions from Cartrack.
- 6.9 Potential Court Approval**
- 6.9.1 Eligible Cartrack Shareholders are advised that, in terms of section 115(3) of the Companies Act, Cartrack may in certain circumstances not proceed to implement the Scheme without the approval of the Court, despite the fact that the Scheme Special Resolution will have been duly adopted at the Scheme Meeting.
- 6.9.2 In this regard, an extract from section 115 of the Companies Act which details the circumstance under with Court approval may be required for implementation of the Scheme, is attached as **Annexure B**.
- 6.10 Foreign Shareholders and Exchange Control Regulations**
- Annexure D** contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are Foreign Shareholders must satisfy themselves as to the full observance of the laws of any relevant jurisdiction concerning the receipt of the Scheme Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Scheme Participants should consult their professional advisors immediately.

#### 6.11 Tax Consequences for the Scheme Participants

6.11.1 The tax implications of the Scheme on the Scheme Participants will depend on the individual tax circumstances of each Scheme Participant. Scheme Participants should seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position.

6.11.2 **Annexure E** sets out the indicative tax consequences for the Scheme Participants.

#### 6.12 Amendments, variations and modifications to the Scheme

6.12.1 Subject to compliance with the Companies Act, the Takeover Regulations and the JSE Listings Requirements and consent from the TRP, Cartrack and Karooooo will be entitled to:

6.12.1.1 before or at the Scheme Meeting, but prior to the Scheme Members casting their votes, make any amendment, variation or modification to the Scheme; or

6.12.1.2 after the Scheme Meeting, make any amendment, variation or modification to the Scheme, provided that no amendment, variation or modification made after the Scheme Meeting may have the effect of negatively affecting the rights which will accrue to a Scheme Participant in terms of the Scheme.

6.12.2 Eligible Cartrack Shareholders will be notified of any changes by publication on SENS and in the South African press.

6.12.3 All dates and times referred to in this Circular, including the Longstop Date, are indicative only and are subject to change. Any such change shall be published on SENS and in the South African press.

#### 6.13 Governing law and jurisdiction

6.13.1 The Scheme shall be governed by, and construed in accordance with, the laws of South Africa.

6.13.2 Each Eligible Cartrack Shareholder shall be deemed to have irrevocably submitted to the exclusive jurisdiction of the courts of South Africa in relation to matters arising out of or in connection with the Scheme.

### 7. SUSPENSION AND TERMINATION OF CARTRACK'S LISTING

7.1 Subject to the Scheme becoming operative, the JSE has granted approval for the suspension of the listing on the JSE of Cartrack Shares and the termination of the listing on the JSE of Cartrack Shares. The dates for the suspension and termination on the JSE of the listing of the Cartrack Shares will be confirmed in due course, but the expected dates of such suspension and termination have been set out in the table of "*Important Indicative Dates and Times*" commencing on page 19 of this Circular.

7.2 On 25 November 2020, the Financial Surveillance Department of the South African Reserve Bank approved the Delisting pursuant to the Scheme.

### 8. JSE LISTING AND REINVESTMENT OFFER

8.1 Subject to the Conditions Precedent being fulfilled (or, where appropriate, waived) and the Scheme becoming operative, the Karooooo Shares will be inwardly listed on the JSE.

8.2 On 25 November 2020, the Financial Surveillance Department of the South African Reserve Bank approved the JSE Listing.

8.3 The date for the JSE Listing will be confirmed in due course, but will be no later than the Longstop Date.

8.4 Further details regarding the JSE Listing will be communicated to Eligible Cartrack Shareholders in due course.

8.5 Karooooo acknowledges that the Eligible Cartrack Shareholders have significantly supported the Cartrack Group over the years and it is Karooooo's intention to enable Scheme Participants to remain invested in the long-term value, benefits and strong growth opportunities of the Cartrack Group, in the event that the Proposed Transaction becomes operative. To this end, in conjunction with the Scheme, Karooooo will, if the Scheme becomes operative, make the Reinvestment Offer to all the Scheme Participants (whether or not they voted in favour of the Scheme) whereby they will be entitled to utilise up to a maximum of their Scheme Consideration to subscribe for Karooooo Shares pursuant to the Reinvestment Offer at the same value in accordance with the Reinvestment Entitlement Ratio, the detailed terms and conditions of which will be set out in the Karooooo Prospectus when made available by Karooooo.

8.6 Karooooo's issued share capital (excluding any new Karooooo Shares that may be issued in connection with any primary capital raise that may be undertaken by Karooooo) will constitute approximately 1/10 (one tenth) of the total issued share capital of Cartrack as at the Last Practicable Date, if all Scheme Participants fully participate in the Reinvestment Offer. As at the Last Practicable Date, Karooooo has 20 332 894 (twenty million three hundred and thirty two thousand eight hundred and ninety four) Karooooo Shares in issue. In turn, Karooooo holds 203 328 943 (two hundred and three million three hundred and twenty eight thousand nine hundred and forty three) Cartrack Shares. Accordingly, participating in the Reinvestment Offer will result in such Scheme Participants being entitled to subscribe for 1 (one) Karooooo Share at a subscription price equal to the Scheme Consideration as pertains to 10 (ten) Scheme Shares (the "Reinvestment Entitlement Ratio"), which will result in the value of a Scheme Participant's effective interest in Cartrack remaining unchanged after full reinvestment and prior to any primary capital raise that may be undertaken by Karooooo.

8.7 The effect of applying the Reinvestment Entitlement Ratio is that, if Scheme Participants participate in the Reinvestment Offer at an amount equal to their full Scheme Consideration, they will hold the same percentage shareholding in Karooooo as the percentage shareholding previously held in Cartrack, save for any new Karooooo Shares that may issue to investors.

- 8.8 Any fractional interest in Karooooo Shares that may result from the Reinvestment Entitlement Ratio being applied to the number of Karooooo Shares issued by Karooooo pursuant to the Reinvestment Offer shall be rounded down to the nearest whole number, resulting in issues of whole Karooooo Shares, and the balance of the Scheme Consideration will be refunded in cash.
- 8.9 Such Reinvestment Offer is indivisible and inter-conditional with the Scheme but will be made pursuant to the terms and conditions of the Karooooo Prospectus. The Karooooo Prospectus will include details and instructions on how to participate in the Reinvestment Offer.
- 8.10 Eligible Cartrack Shareholders, who become Scheme Participants, will be required to make an election as to whether they wish to participate in the Reinvestment Offer and receive Karooooo Shares, by completing the participation form as will be provided for in the Karooooo Prospectus and strictly in accordance with the terms, conditions and instructions contained therein.
- 8.11 Participating in the Scheme or participating and voting at the Scheme Meeting and/or the General Meeting does not constitute the participation in, or acceptance of, the Reinvestment Offer. Eligible Cartrack Shareholders, who become Scheme Participants, will be responsible themselves for participating in and accepting the Reinvestment Offer to be made by Karooooo, pursuant to the Karooooo Prospectus. For full and detailed information on the Reinvestment Offer, Eligible Cartrack Shareholders will be required to refer to the Karooooo Prospectus when made available.
- 8.12 The implementation of the Reinvestment Offer is subject to the fulfilment of the following conditions precedent by no later than the Longstop Date:
- 8.12.1 the Conditions Precedent to the Scheme having been fulfilled (or, where appropriate, waived), save for any condition relating to the Reinvestment Offer becoming unconditional;
- 8.12.2 the Karooooo Prospectus (containing the terms and conditions of the Reinvestment Offer) being filed and registered with the Companies and Intellectual Property Commission in terms of Chapter 4 of the Companies Act; and
- 8.12.3 the JSE approving the JSE Listing in accordance with the JSE Listings Requirements.
- 8.13 Karooooo shall use its reasonable endeavours and the parties will co-operate in good faith to procure the fulfilment of the Conditions Precedent to the Reinvestment Offer which are within their control to fulfil as soon as reasonably possible.
- 8.14 The Conditions Precedent to the Reinvestment Offer are not capable of waiver.
- 8.15 The Longstop Date may be extended by written agreement between Cartrack and Karooooo from time to time, subject to any approval as may be required from the TRP and/or the JSE. Any extension of the Longstop Date will be announced on SENS and published in the South African press.
- 8.16 Notwithstanding the fact that the Reinvestment Offer is conditional on the Scheme becoming operative, participation by Eligible Cartrack Shareholders, who become Scheme Participants, in the Reinvestment Offer is entirely at the discretion of such Eligible Cartrack Shareholders. In other words, Eligible Cartrack Shareholders are not obliged to participate in the Reinvestment Offer.
- 8.17 Notably, Eligible Cartrack Shareholders, who become Scheme Participants, and who:
- 8.17.1 do not participate in the Reinvestment Offer (or fail to timeously complete the participation form as will be provided for in the Karooooo Prospectus strictly in accordance with the terms, conditions and instructions contained therein) or only elect to partially participate in the Reinvestment offer, will receive the Scheme Consideration (or part thereof) in cash (being ZAR42.00 (forty two Rand) for every 1 (one) Scheme Share held by the Scheme Participants on the Scheme Consideration Record Date; and
- 8.17.2 elect to participate in the Reinvestment Offer will not receive their Scheme Consideration (or part thereof) in cash. In so electing, Cartrack shall be authorised to instruct Karooooo, on behalf of such Scheme Participants, to apply their Scheme Consideration (or part thereof) in settlement of their obligation to pay the subscription price for the Karooooo Shares in accordance with the terms and conditions of the Reinvestment Offer, thereby extinguishing in full the obligation by Cartrack to remit such Scheme Consideration (or part thereof) to the Scheme Participants pursuant to the Scheme.
- 8.18 If the Scheme is not duly approved by the requisite majority of Scheme Members and/or any of the Conditions Precedent are not fulfilled (or, where appropriate, waived), then the Scheme will not become operative and Eligible Cartrack Shareholders will continue to hold their Cartrack Shares in the ordinary course and the *status quo ante* shall remain. Consequently, the Proposed Transaction in its entirety will not proceed, with the result that the Cartrack Shares will continue to be listed on the Main Board of the JSE, the Scheme and the JSE Listing will not take place and the Reinvestment Offer will not be available.
- 8.19 The tax implications of the Reinvestment Offer on the Scheme Participants will depend on the individual tax circumstances of each Scheme Participant. Scheme Participants should seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position. **Annexure E** sets out the indicative tax consequences for the Scheme Participants.
- 8.20 **Please note that the Karooooo Prospectus will be made available to Scheme Participants following the Scheme Meeting (which is expected to be on or about 11:00, Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting)) but prior to the Scheme Operative Date (which is expected to be on or about Tuesday, 06 April 2021). The exact date and time of the availability of the Karooooo Prospectus will be notified to Scheme Participants in due course.**

- 8.21 The Scheme contemplated in this Circular does not constitute an “offer to the public”, as envisaged in Chapter 4 of the Companies Act and accordingly this Circular does not, nor does it intend to, constitute a “registered prospectus”, as contemplated in Chapter 4 of the Companies Act.

## 9. TERMINATION OF THE CARTRACK TRUST AND THE SPECIFIC REPURCHASE

- 9.1 To the extent that the remainder of this Circular contains the requisite statements and disclosures required for specific repurchases in terms of section 11.23 of the JSE Listings Requirements, the same are not repeated in this paragraph.
- 9.2 The Cartrack Trust was established for the purposes of establishing and governing incentive schemes for executive employees.
- 9.3 The trustees for the time being of the Cartrack Trust (the “Trustees”) have unanimously resolved to terminate the Cartrack Trust in accordance with the terms and conditions of the trust deed of the Cartrack Trust on the basis that there are no longer any beneficiaries of the Cartrack Trust and Cartrack no longer intends to utilise the Cartrack Trust as a vehicle for an incentive scheme for its executive employees.
- 9.4 Once the Trustees have resolved to terminate the Cartrack Trust, the Trustees are required to dispose of the Cartrack Trust Shares at the market value thereof. The proceeds of such disposal are required to be used by the Cartrack Trust to first settle any liabilities, then to make any distributions to any employee beneficiaries and thereafter to distribute any remaining cash reserves to Cartrack (as the residual beneficiary of the Cartrack Trust). Given that there are no beneficiaries of the Cartrack Trust, all cash reserves of the Cartrack Trust, following the settlement of liabilities, shall accrue to Cartrack.
- 9.5 As part of terminating the Cartrack Trust, it is proposed that Cartrack repurchases the Cartrack Trust Shares from the Cartrack Trust for the Specific Repurchase Consideration.
- 9.6 Subject to the passing of the requisite special resolution, in accordance with the requirements of paragraph 5.69(c) of the JSE Listings Requirements and to the extent applicable the Companies Act, Cartrack is authorised to give effect to a repurchase of its own shares in terms of the Cartrack MOI. The Specific Repurchase is not subject to or inter-conditional on the Proposed Transaction becoming unconditional and being implemented in accordance with its terms and conditions.
- 9.7 Cartrack will utilise existing cash resources to fund the Specific Repurchase, subject to the passing of a special resolution by the Cartrack Shareholders.
- 9.8 The Specific Repurchase is considered to be a specific repurchase by Cartrack of its own shares which will be executed off-market.
- 9.9 The Cartrack Trust Shares represent 0.41% (zero point four one percent) of the total issued share capital of Cartrack as at the Last Practicable Date. On the Specific Repurchase Implementation Date, the Cartrack Trust Shares will revert to authorised but unissued shares in the share capital of Cartrack and will then be cancelled and delisted.
- 9.10 The Specific Repurchase is subject to the fulfilment or waiver, as the case may be, of the following condition precedent, namely, the passing of a special resolution, in accordance with the requirements of paragraph 5.69(c) of the JSE Listings Requirements at the General Meeting, by the requisite majority of Cartrack Shareholders, excluding the Cartrack Trust and its Associates.
- 9.11 In terms of the JSE Listings Requirements, the Specific Repurchase constitutes a specific repurchase of shares which requires the approval by way of a special resolution by all Cartrack Shareholders, present or represented by proxy, excluding participants in the Specific Repurchase and their Associates. Accordingly, in terms of paragraph 5.69(b) of the JSE Listings Requirements, the votes of the Cartrack Trust will be excluded in determining the number of votes in support of the aforementioned special resolution as contained in the Notice of General Meeting. As the Specific Repurchase does not entail the acquisition by Cartrack of Cartrack Shares held by a director or prescribed officer of Cartrack, or a person related to a director or prescribed officer of Cartrack nor the acquisition by Cartrack of more than 5% (five percent) of the issued share capital of Cartrack, a special resolution pursuant to section 48 of the Companies Act is not required.
- 9.12 A resolution has been passed by the Cartrack Board in terms of section 46 of the Companies Act that, having applied the solvency and liquidity test as set out in section 4 of the Companies Act (“**solvency and liquidity test**”), it has satisfied itself that it reasonably appears, and it has thus reasonably concluded, that the Cartrack Group will satisfy the solvency and liquidity test, immediately after implementation of the Specific Repurchase. Notably, since the passing of the solvency and liquidity test by the Cartrack Board, there have been no material changes to the financial position of the Cartrack Group.
- 9.13 In terms of paragraph 5.69(c) of the JSE Listings Requirements, the directors, having considered the effect of the Specific Repurchase, confirm that the provisions of section 4 and section 48 of the Companies Act have been complied with, and consider that there are reasonable grounds for believing that:
- 9.13.1 the Cartrack Group will be able, in the ordinary course of business, to pay their debts for a period of 12 (twelve) months after the date of issue of this Circular;
- 9.13.2 the assets of the Cartrack Group will be in excess of the liabilities of the Cartrack Group for a period of 12 (twelve) months after the date of issue of this Circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest Cartrack Group financial statements;



- 9.13.3 the ordinary capital and reserves of the Cartrack Group shall be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of issue of this Circular; and
- 9.13.4 the working capital of the Cartrack Group shall be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of issue of this Circular.

#### 10. PRO FORMA FINANCIAL EFFECTS

In terms of regulation 106(6)(d) of the Takeover Regulations and given that the Scheme Consideration is to be settled entirely in cash, no *pro forma* financial effects are required.

The Specific Repurchase is for cash and the financial effects on the earnings, headline earnings, net asset value and/or net tangible asset value of Cartrack Shares will be confined to the cost of the transaction sponsor fee, legal fees and JSE documentation fees which are considered to be negligible.

#### 11. FINANCIAL INFORMATION RELATING TO THE CARTRACK GROUP (INCLUDING CARTRACK)

11.1 Extracts of the audited group and consolidated historical financial information of the Cartrack Group for the last 3 (three) financial years ended 29 February 2020 are contained in **Annexure F** to this Circular.

11.2 The full audited group and consolidated historical financial information of the Cartrack Group for the last 3 (three) financial years ended 29 February 2020 are incorporated herein by reference and can be accessed on Cartrack's website at the following links:

Information incorporated by reference	Website Link
Audited annual financial statements of the Cartrack Group for the year ended 29 February 2020	<a href="https://www.cartrack.co.za/investor-relations">https://www.cartrack.co.za/investor-relations</a>
Audited annual financial statements of the Cartrack Group for the year ended 28 February 2019	<a href="https://www.cartrack.co.za/investor-relations">https://www.cartrack.co.za/investor-relations</a>
Audited annual financial statements of the Cartrack Group for the year ended 28 February 2018	<a href="https://www.cartrack.co.za/investor-relations">https://www.cartrack.co.za/investor-relations</a>

11.3 There are no known material changes in the financial or trading position of the Cartrack Group subsequent to the latest published audited financial results for the 12 (twelve) month period ended 29 February 2020.

11.4 The financial position of Cartrack is not expected to change as a result of the Scheme and as such no *pro forma* financial information has been included in this Circular.

11.5 The price history of Cartrack Shares on the JSE is set out in **Annexure G**.

#### 12. MATERIAL CHANGES AND RISK

There are no known material changes in the financial or trading position of the Cartrack Group subsequent to the latest published interim financial results for the 6 (six) month period ended 31 August 2020.

The global spread of the COVID-19 pandemic has negatively impacted the global economy, disrupted supply chains and created significant volatility in global financial markets. The extent to which the COVID-19 pandemic will impact Cartrack's Business will depend on a number of evolving factors, including the duration and spread of the pandemic, actions taken by governmental authorities to restrict certain business operations and social activity, impose travel restrictions or other actions, the impact of the pandemic on economic activity and consumer demand, the ability of Cartrack's supply chain to deliver in a timely and cost-effective manner, the ability of Cartrack's employees to operate efficiently and effectively and the continued viability and financial stability of Cartrack's customers, all of which remain uncertain. In particular, the COVID-19 pandemic could affect Cartrack's ability to collect payments under its subscription contracts, retain existing customers and increase sales to new customers. Most recently, the COVID-19 pandemic has resulted in limited capacity to install the in-vehicle IoT technology resulting from the various regional lockdown restrictions, and Cartrack was unable to deploy recently recruited talent currently stationed in Singapore into the Asia-Pacific region to drive growth. An extended period of global and economic disruption resulting from this pandemic and its effects could have a material adverse effect on Cartrack's Business, financial condition and results of operations.

While the impact of the COVID-19 pandemic cannot be quantified, Cartrack expects that disruptions caused by COVID-19 will continue to impact its results in the year ending 28 February 2021. Cartrack continues to actively monitor the ongoing potential impacts of COVID-19 to seek to mitigate and minimise its impact on the Cartrack Business.

#### 13. SHARE CAPITAL OF CARTRACK

13.1 The authorised and issued share capital of Cartrack as at the Last Practicable Date is set out below:

##### Authorised Cartrack Shares

1 000 000 000 ordinary shares of no par value

##### Issued Cartrack Shares (including the Cartrack Trust Shares)

300 000 000 ordinary shares of no par value

- 13.2 The authorised and issued share capital of Cartrack before and after the Specific Repurchase:

<b>Before the Specific Repurchase</b>	
<b>Authorised Cartrack Shares</b>	
1 000 000 000 ordinary no par value shares	
<b>Issued Cartrack Shares (including Cartrack Trust Shares)</b>	
300 000 000 ordinary no par value shares	
<b>After the Specific Repurchase</b>	
<b>Authorised Cartrack Shares</b>	
1 000 000 000 ordinary no par value shares	
<b>Issued Cartrack Shares</b>	
298 766 000 ordinary no par value shares	

- 13.3 The authorised and issued share capital of Cartrack before and after the Scheme:

<b>Before and After the Scheme</b>	
<b>Authorised Cartrack Shares</b>	
1 000 000 000 ordinary no par value shares	
<b>Issued Cartrack Shares</b>	
298 766 000 ordinary no par value shares	

#### 14. DIRECT AND INDIRECT BENEFICIAL INTERESTS IN CARTRACK SHARES

- 14.1 Shareholder spread as at the Last Practicable Date:

Shareholder Spread	No. of Shareholders	Beneficial direct interest (No. of Cartrack Shares)	Beneficial indirect interest (No. of Cartrack Shares)	% of direct Issued Share Capital
<b>Public shareholders</b>				
Public shareholders (<5%)	2 508	39 207 477	–	13.07%
Public shareholders (≥5%): Goldman, Sachs & Co	1	19 865 580	–	6.62%
<b>Non-public shareholders:</b>				
Cartrack Executive Incentive Trust	–	1 234 000	–	0.41%
Karoo000 <sup>1</sup>	1	203 328 943	–	67.78%
Georgem <sup>2</sup>	1	35 500 000	–	11.83%
Calisto	1	864 000	203 328 943 <sup>3</sup>	0.29% <sup>4</sup>
<b>Total</b>	<b>2512</b>	<b>300 000 000</b>	<b>203 328 943<sup>3</sup></b>	<b>100%</b>

##### Notes

- (1) Karoo000 is wholly owned by Calisto.  
(2) Georgem is owned by a discretionary trust with Juan Marais and his immediate family being the beneficiaries.  
(3) Calisto's beneficial indirect interest in Cartrack is held through Karoo000.  
(4) Calisto's direct beneficial interest is 0.29%.

- 14.2 Insofar as is known to Cartrack, the following Cartrack Shareholders, other than the Cartrack Directors, beneficially held, directly or indirectly, an interest of 5% (five percent) or more of Cartrack Shares in issue as at the Last Practicable Date:

Shareholder Spread	Beneficial direct interest (No. of Cartrack Shares)	Beneficial indirect interest (No. of Cartrack Shares)	% of Issued Share Capital
<b>Public shareholders</b>			
Public shareholders (≥5%): Goldman, Sachs & Co	19 865 580	–	6.62%
<b>Non-public shareholders:</b>			
Karoo000*	203 328 943	–	67.78%
Georgem	35 500 000	–	11.83%
<b>Total</b>	<b>258 694 523</b>	<b>–</b>	<b>86.23%</b>

\* Karoo000 is wholly owned by Calisto

- 14.3 After the implementation of the Scheme, Karoo000 will hold the entire issued ordinary share capital of Cartrack.

#### 14.4 Interest of Cartrack Directors in Cartrack Shares

- 14.4.1 As at the Last Practicable Date the Cartrack Directors, and persons who were directors of Cartrack within the preceding 18 (eighteen) months, have the following direct or indirect beneficial interests in Cartrack Shares:

Director	Beneficial direct interest (No. of Cartrack Shares)	Beneficial indirect interest (No. of Cartrack Shares)	% of Issued Share Capital
Calisto	864 000	203 328 943*	68.06%
<b>Total</b>	<b>864 000</b>	<b>203 328 943*</b>	<b>68.06</b>

\* Calisto's beneficial indirect interest in Cartrack is held through Karoo000.

14.4.2 There were no dealings in Cartrack Shares entered into by Calisto during the 6 (six) months immediately preceding the Last Practicable Date.

#### 14.5 Interest of the sole director of Karo0000 in Cartrack Shares

14.5.1 The direct and indirect beneficial interest of the sole director of Karo0000 in the issued share capital of Cartrack as at the Last Practicable Date is as follows:

<b>Director</b>	<b>Beneficial direct interest (No. of Cartrack Shares)</b>	<b>Beneficial indirect interest (No. of Cartrack Shares)</b>	<b>% of Issued Share Capital</b>
Calisto	864 000	203 328 943*	68.06%
<b>Total</b>	<b>864 000</b>	<b>203 328 943*</b>	<b>68.06%</b>

\* Calisto's beneficial indirect interest in Cartrack is held through Karo0000 by virtue of Calisto's 100% shareholding in Karo0000.

14.5.2 There were no dealings in Cartrack Shares entered into by Calisto during the 6 (six) months immediately preceding the Last Practicable Date.

#### 14.6 Interest of Karo0000 in Cartrack Shares

14.6.1 At the Last Practicable Date, Karo0000 held the following beneficial interests in Cartrack Shares, representing approximately 67.78% (sixty seven point seven eight percent) of the total issued Cartrack Shares:

	<b>Beneficial direct interest (No. of Cartrack Shares)</b>	<b>Beneficial indirect interest (No. of Cartrack Shares)</b>	<b>% of Issued Share Capital</b>
Karo0000	203 328 943	–	67.78%
<b>Total</b>	<b>203 328 943</b>	<b>–</b>	<b>67.78%</b>

14.6.2 As at the Last Practicable Date, Karo0000 does not hold any option to purchase Cartrack Shares.

14.6.3 In July 2019, Calisto entered into a loan agreement with Karo0000 under which Calisto provided Karo0000 with a loan in an aggregate amount of ZAR2 748 480 000 (two billion seven hundred and forty eight million four hundred and eighty thousand South African Rand), (the "Karo0000 Loan"), which was repayable on demand either in cash or convertible into Cartrack Shares. The Karo0000 Loan arose as part of a series of transactions which facilitated the acquisition of 204 500 000 (two hundred and four million five hundred thousand) Cartrack Shares by Karo0000. On 18 November 2020, Calisto entered into a capitalisation agreement pursuant to which Calisto agreed to convert the Karo0000 Loan by subscribing for 20 331 894 (twenty million three hundred and thirty one thousand eight hundred and ninety four) Karo0000 Shares. Amounts due under the Karo0000 Loan bore no interest and have no fixed terms of repayment and are repayable on demand. As of 18 November 2020, the Karo0000 Loan was fully converted into Karo0000 Shares.

### 15. DIRECT AND INDIRECT BENEFICIAL INTERESTS IN KARO0000 SHARES

#### 15.1 Interest of the sole director of Karo0000 in Karo0000 Shares

15.1.1 The direct and indirect beneficial interest of the sole director of Karo0000 in the issued share capital of Karo0000 as at the Last Practicable Date is as follows:

<b>Director</b>	<b>Beneficial direct interest (No. of Karo0000 Shares)</b>	<b>Beneficial indirect interest (No. of Karo0000 Shares)</b>	<b>% of Issued Share Capital</b>
Calisto	20 332 894	–	100%
<b>Total</b>	<b>20 332 894</b>	<b>–</b>	<b>100%</b>

15.1.2 On and with effect from 18 November 2020, and prior to the Last Practicable Date, Karo0000 allotted and issued 20 331 894 (twenty million three hundred and thirty one thousand eight hundred and ninety four) Karo0000 Shares to Calisto. Please refer to paragraph 14.6.3 above on page 41 of this Circular for further details.

#### 15.2 Interest of Cartrack Directors in Karo0000

15.2.1 As at the Last Practicable Date, the Cartrack Directors, and persons who were directors of Cartrack within the preceding 18 (eighteen) months, have the following direct or indirect beneficial interests in Karo0000 Shares:

<b>Director</b>	<b>Beneficial direct interest (No. of Karo0000 Shares)</b>	<b>Beneficial indirect interest (No. of Karo0000 Shares)</b>	<b>% of Issued Share Capital</b>
Calisto	–	20 332 894	100%
<b>Total</b>	<b>–</b>	<b>20 332 894</b>	<b>100%</b>

15.2.2 On and with effect from 18 November 2020, and prior to the Last Practicable Date, Karooooo allotted and issued 20 331 894 (twenty million three hundred and thirty one thousand eight hundred and ninety four) Karooooo Shares to Calisto. Please refer to paragraph 14.6.3 above on page 41 of this Circular for further details.

### 15.3 Interest of Cartrack in Karooooo Shares

Cartrack has no direct or indirect beneficial interest in the Karooooo Shares as at the Last Practicable Date.

## 16. CARTRACK DIRECTORS SERVICE CONTRACTS AND REMUNERATION

16.1 The composition of the Cartrack Board will be considered and may be reconstituted in light of the governance requirements for an unlisted company in accordance with the Companies Act following the Delisting. The Cartrack Directors' remuneration and benefits are set out in the consolidated audited historical financial statements of Cartrack for the financial year ended 29 February 2020, which is available on Cartrack's website (<https://www.cartrack.co.za/investor-relations>). There will be no change to the remuneration of the Cartrack Directors as a result of the Scheme.

16.2 None of the Executive Cartrack Directors have fixed-term employment contracts.

16.3 No services contracts have been entered into or amended before the Last Practicable Date other than in the ordinary course of business and on arm's length terms.

## 17. PRELIMINARY TRANSACTION COSTS AND EXPENSES

The following expenses and provisions are expected, or have been provided for, in connection with the Scheme and the Specific Repurchase by Cartrack. All the fees payable to the parties below are exclusive of value added tax:

Description	Payable to	Estimated Amount (R'000)
Electronic Meeting	Computershare Investor Services Proprietary Limited	39
Securities Transfer Tax in respect of the Specific Repurchase	SARS	130
Transaction Sponsor	Merrill Lynch South Africa Proprietary Limited	100
Legal and Tax Advisor	Edward Nathan Sonnenbergs Incorporated	5 800
	Allen & Gledhill LLP	1 500
	Norton Rose Fulbright South Africa Incorporated	200
Independent Expert	BDO Corporate Finance Proprietary Limited	375
Printing and Postage	Greymatter & Finch	138
Documentation Review	TRP	200
Transfer Secretaries	Computershare Investor Services Proprietary Limited	49
Documentation Review	JSE	52
<b>Total</b>		<b>8 583</b>

\* Costs pertaining to the Scheme (and the associated Delisting) and the Specific Repurchase shall be borne by Cartrack. Costs relating to the Reinvestment Offer shall be borne by Karooooo and will be disclosed in the Karooooo Prospectus.

## 18. IRREVOCABLE UNDERTAKINGS

18.1 Karooooo has received Irrevocable Undertakings from the following Cartrack Shareholders to vote in favour of the Resolutions in respect of which they are entitled to vote (such Cartrack Shareholders collectively holding between them 80.12% (eighty point one two percent) of the voting rights, excluding such rights held by Karooooo, Calisto and the Cartrack Trust):

Cartrack Shareholder	Cartrack Shares held	% of Cartrack Shares held	% of voting rights (excl. Karooooo, Calisto and the Cartrack Trust)
Chambers Street Capital Management, LLC	4 676 256	1.56%	4.94%
Bavaria Industries Group AG	2 145 857	0.72%	2.27%
Desert Lion Capital Fund I LP & Guscora Investments (Pty) Ltd	1 145 000	0.38%	1.21%
Georgem	35 500 000	11.83%	37.54%
Gobi Capital LLC, held through Goldman, Sachs & Co	19 505 580	6.5%	20.62%
Heritage Asset Management Ltd	4 086 213	1.36%	4.32%
Swisspartners Marcuard Heritage AG as Trustee of the Heritage Trust	3 771 464	1.26%	3.99%
Long View Asset Management Ltd	1 326 155	0.44%	1.40%
Rytol Holdings Ltd	3 624 638	1.21%	3.83%
<b>Total</b>	<b>75 781 163</b>	<b>25.26%</b>	<b>80.12%</b>

- 18.2 Karooooo has received Irrevocable Undertakings from the following Cartrack Shareholders to fully participate in the Reinvestment Offer:

<b>Cartrack Shareholder</b>	<b>Cartrack Shares held</b>	<b>% of Cartrack Shares held</b>
Chambers Street Capital Management, LLC	4 676 256	1.56%
Bavaria Industries Group AG	2 145 857	0.72%
Desert Lion Capital Fund I LP & Guscora Investments (Pty) Ltd	1 145 000	0.38%
Georgem	35 500 000	11.83%
Gobi Capital LLC, held through Goldman, Sachs & Co	19 505 580	6.5%
Heritage Asset Management Ltd	4 086 213	1.36%
Swisspartners Marcuard Heritage AG as Trustee of the Heritage Trust	3 771 464	1.26%
Long View Asset Management Ltd	1 326 155	0.44%
Rytol Holdings Ltd	3 624 638	1.21%
Calisto	864 000	0.29%
<b>Total</b>	<b>76 645 163</b>	<b>25.55%</b>

- 18.3 No person who had provided Irrevocable Undertakings to Karooooo has had any dealings in Cartrack Shares and Karooooo Shares during the period beginning 6 (six) months prior to the Offer Period and ending on the Last Practicable Date, save as provided in paragraph 15 above on page 41 of this Circular.

- 18.4 Copies of the Irrevocable Undertakings are available for inspection as set out in paragraph 27 below on page 45 of this Circular.

## 19. AGREEMENTS IN RELATION TO THE SCHEME

Other than the-

- 19.1 Irrevocable Undertakings; and

- 19.2 Firm Intention Offer Letter;

no other arrangement, undertakings or agreements that are considered to be material to a decision regarding the Scheme and the Specific Repurchase to be taken by Cartrack Shareholders have been entered into between Cartrack and Karooooo or any of their respective current and/or past concert parties, shareholders, directors and/or subsidiaries, in relation to the Scheme within the 12 (twelve) months preceding the Last Practicable Date.

## 20. APPLICABLE LAWS

The Scheme (and the associated Delisting) and the Specific Repurchase shall be governed by the laws of South Africa only. Each Eligible Cartrack Shareholder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Scheme (and the associated Delisting) and/or the Specific Repurchase.

## 21. RESTRICTED JURISDICTIONS

- 21.1 To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, then this Circular is deemed to have been provided for information purposes only and the Cartrack Board does not accept any responsibility for any failure by Foreign Shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.

- 21.2 Eligible Cartrack Shareholders who are in doubt as to their position should consult their professional advisors immediately.

## 22. DISCLOSURES NOT REQUIRED IN TERMS OF THE TAKEOVER REGULATIONS

- 22.1 In terms of regulation 101(7)(b)(vi), as read with regulation 106(4)(a)(ii) of the Takeover Regulations, an offeror circular must include a confirmation that the offeror has sufficient securities available to settle any consideration payable in securities, or has a condition as to acceptance regarding an increase of authorised share capital.

- 22.2 In terms of regulation 106(5) of the Takeover Regulations, if any director or equivalent of the offeror is excluded from the statement required by sub-regulation 106(4)(i) of the Takeover Regulations, the circular must note that omission and the reasons for it.

- 22.3 In terms of regulation 106(6)(b) of the Takeover Regulations, an offeror circular must include the offeror board opinion after taking account thereof, if the offer consideration comprises wholly or partly offeror securities as contemplated in regulation 110(10) of the Takeover Regulations.

- 22.4 In terms of regulation 106(6)(c) of the of the Takeover Regulations, an offeror circular must include a description of the financing arrangements entered into by the offeror, including capital amount, interest rate, security given, period and repayment terms, if the offer is highly leveraged, such that, as a result of the offer, the offeror will incur a high level of debt and the payment of interest, repayments or security for the debt will substantially depend on the business of the offeree regulated company.

- 22.5 In terms of regulation 106(6)(d) of the Takeover Regulations, an offeror circular must include if the offer consideration consists wholly or partly of offeror securities:

- 22.5.1 the annual financial statements of the offeror for the last 3 (three) financial periods; and
- 22.5.2 an audit reviewed pro forma balance sheet and pro forma income statement, and pro forma earnings and assets per security, as at the last financial year end, assuming a 100% (one hundred percent) successful offer result.
- 22.6 In terms of regulation 106(7)(b) of the Takeover Regulations, an offeree response circular must include a comment on the statements contained in the offeror offer circular, insofar as is relevant.
- 22.7 In terms of regulation 106(7)(c) of the Takeover Regulations, an offeree response circular must include an auditor reviewed pro forma income statement and balance sheet, as at the last financial year end of the offeree regulated company, and the pro forma effects per offeree regulated company security, if the offeree regulated company holders will continue to hold some form of security after the offer.
- 22.8 In terms of regulation 106(8), if any director of the independent board is excluded from a statement required by sub-regulation 106(7)(j) of the Takeover Regulations, the omission and the reasons for it must be contained in the offeree response circular.
- 22.9 In terms of regulation 106(11) of the Takeover Regulations, the following documents must lie for inspection at the offeror or offeree regulated company's registered office, or both, as applicable, from the date of distribution of a circular until the end of the offer period:
  - 22.9.1 the auditor's report and consent letter, if a forecast has been made; and
  - 22.9.2 the respective memorandum of incorporation of the offeree regulated company and of the offeror, if the offer consideration includes offeror securities.
- 22.10 Due to the nature of the Scheme, the Takeover Regulations referred to above are not applicable to this Circular.
- 22.11 The disclosures per the Takeover Regulations have been made in this Circular, to the extent that they are applicable to the Scheme.

## 23. OPINIONS AND RECOMMENDATIONS

### 23.1 Appointment of an Independent Expert

The Independent Board has appointed the Independent Expert, an independent advisor acceptable to the TRP, to provide an independent professional expert's opinion regarding the Scheme, and to make appropriate recommendations to the Independent Board in the form of a report contemplated in section 114(3) of the Companies Act and as contemplated in regulation 90 of the Takeover Regulations.

### 23.2 Report of the Independent Expert

23.2.1 The Independent Expert has, as contemplated in regulation 110(3)(a) of the Takeover Regulations, performed a valuation on the Cartrack Shares for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration. The report of the Independent Expert also includes the items required by section 114(3) of the Companies Act and regulation 90 of the Takeover Regulations.

23.2.2 Taking into consideration the terms and conditions of the Scheme, the Independent Expert is of the opinion that such terms and conditions are fair and reasonable to Cartrack Shareholders. Cartrack Shareholders are referred to in **Annexure A**, which sets out the full text of the report of the Independent Expert regarding the Scheme.

### 23.3 Views of the Independent Board

23.3.1 The Independent Board, after due consideration of the report of the Independent Expert regarding the Scheme, and in accordance with its responsibilities in terms of regulation 110 of the Takeover Regulations, has formed a view of the range of the fair value of the Scheme Shares, which accords with the valuation range contained in the Independent Expert's opinion. The Independent Board has not received any other firm offers during the Offer Period or within 6 (six) months prior to the Offer Period.

23.3.2 The Independent Board, taking into account the report of the Independent Expert regarding the Scheme, has considered the terms and conditions thereof, and is unanimously of the opinion that the terms and conditions of the Scheme are fair and reasonable to Cartrack Shareholders and, accordingly, recommends that Cartrack Shareholders vote in favour of the Scheme Resolutions.

23.3.3 Each of the non-independent members of the Cartrack Board, other than Calisto, recommends that Cartrack Shareholders vote in favour of the Scheme Resolutions at the Scheme Meeting and, accordingly, the Cartrack Board unanimously recommends that Cartrack Shareholders vote in favour of the Scheme at the Scheme Meeting.

### 23.4 Voting of the Cartrack Board

Calisto is the only director of the Cartrack Board who holds Cartrack Shares. However, pursuant to section 115(4) of the Companies Act, Calisto is not entitled to vote in favour of the Scheme and the Scheme Resolutions.

The Cartrack Directors who hold Cartrack Shares (being Calisto), intend to vote such Cartrack Shares in favour of the Specific Repurchase and the General Resolutions.

## 24. DIRECTORS' RESPONSIBILITY STATEMENT

### 24.1 Independent Board and Cartrack Board Responsibility Statement

The Independent Board and the Cartrack Board, collectively and individually, accept responsibility for the information contained in this Circular to the extent that it relates to Cartrack. In addition, they certify that, to the best of their knowledge and belief, the information contained in this Circular pertaining to Cartrack is true and, where appropriate, the Circular does not omit anything that is likely to make any information false or misleading, and that all reasonable enquiries to ascertain such information have been made and this Circular contains all information required by law and the JSE Listings Requirements.

### 24.2 Karooooo Responsibility Statement

The Karooooo Board, collectively and individually, accepts responsibility for the information contained in this Circular to the extent that it relates to Karooooo. In addition, they certify that, to the best of their knowledge and belief, the information contained in this Circular pertaining to Karooooo is true and, where appropriate, the Circular does not omit anything that is likely to make any information false or misleading, and that all reasonable enquiries to ascertain such information has been made and this Circular contains all information required by law and the JSE Listings Requirements.

## 25. CONSENTS

All the parties listed in the section entitled "*Corporate Information and Advisors*" have consented in writing to act in the capacities stated and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced in this Circular and have not withdrawn their consents prior to publication of this Circular.

## 26. NOTICE OF MEETINGS

### 26.1 General Meeting

The General Meeting, convened in terms of the Notice of General Meeting incorporated in this Circular, will be held entirely by electronic communication at 10:00 on Wednesday, 17 February 2021, or at any other adjourned or postponed date and time determined in accordance with the provisions of the Companies Act and the JSE Listings Requirements for purposes of considering and, if deemed fit, passing, with or without modification, the General Resolutions. A notice convening the General Meeting of Cartrack Shareholders is attached to, and forms part of, this Circular.

### 26.2 Conditions to the General Resolutions being proposed at the General Meeting

Cartrack Shareholders are advised to note the conditions to which the General Resolutions being put to the vote at the General Meeting are subject, as more fully described in paragraph 12.2 of the section titled: "*Action required by Cartrack Shareholders*" commencing on page 13 of this Circular and restated in the Notice of General Meeting.

### 26.3 Scheme Meeting

The Scheme Meeting, convened in terms of the Notice of Scheme Meeting incorporated in this Circular, will be held entirely by electronic communication at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting), or at any other adjourned or postponed date and time determined in accordance with the provisions of the Companies Act and the JSE Listings Requirements for purposes of considering and, if deemed fit, passing, with or without modification, the Scheme Resolutions. A notice convening the Scheme Meeting of the Eligible Cartrack Shareholders is attached to, and forms part of, this Circular.

### 26.4 Conditions applicable to the Special Resolutions proposed at the Scheme Meeting

Cartrack Shareholders are advised to note the conditions to which the Scheme Special Resolution being put to the vote at the Scheme Meeting is subject, as more fully described in paragraph 6.2 of the section titled: "*Action required by Cartrack Shareholders*" commencing on page 6 of this Circular and restated in the Notice of Scheme Meeting.

## 27. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at Cartrack's registered office at 11 Keyes Avenue, Rosebank, 2196, South Africa during normal business hours (09:00 to 17:00) from Tuesday, 19 January 2021 up to and including Wednesday, 17 February 2021 and can be viewed on Cartrack's website, [www.cartrack.co.za](http://www.cartrack.co.za):

27.1 a copy of the Cartrack MOI;

27.2 a copy of the existing constitution of Karooooo;

27.3 signed copy of the Firm Intention Offer Letter;

27.4 a signed copy of the opinion of the Independent Expert;

27.5 copies of Cartrack's audited annual financial statements for the three years ended 28 February 2018, 28 February 2019 and 29 February 2020;

- 27.6 copies of the Irrevocable Undertakings referred to in paragraph 18 above on page 42 of this Circular;
- 27.7 a copy of the letter of approval of this Circular from the TRP;
- 27.8 copies of the written consents referred to in paragraph 25 above on page 45 of this Circular;
- 27.9 a signed copy of the escrow confirmation letter from Rand Merchant Bank (a division of FirstRand Bank Limited) referred to in paragraph 6.8 above on page 35 of this Circular; and
- 27.10 a signed copy of this Circular.

The availability and exact timing of the publication of any prescribed pre-listings/prospectus documents in respect of the Listings (including the Karooooo Prospectus) are uncertain and Eligible Cartrack Shareholders will be notified of the availability in due course.

**SIGNED ON BEHALF OF THE CARTRACK INDEPENDENT BOARD**

Kim White

19 January 2021

**SIGNED ON BEHALF OF THE CARTRACK BOARD**

David Jamie Brown

19 January 2021

**SIGNED ON BEHALF OF THE KAROOOOO BOARD**

Isaias Jose Calisto

19 January 2021



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## OPINION OF THE INDEPENDENT EXPERT

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Wanderers Office Park  
Illovo, 2196  
Private Bag X5  
Northlands, 2196

The Independent Board  
Cartrack Holdings Limited  
11 Keyes Avenue  
Rosebank Johannesburg  
2196

11 January 2021

Dear Sirs/ Mesdames

### **REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO CARTRACK REGARDING THE CASH OFFER BY KAROOOOO TO ACQUIRE ALL OF THE REMAINING ISSUED ORDINARY SHARES IN CARTRACK OTHER THAN THOSE HELD BY EXCLUDED SHAREHOLDERS, BY WAY OF A SCHEME**

#### **Introduction**

In terms of the firm intention announcement published by Cartrack Holdings Limited (“Cartrack” or the “Company”) on the Stock Exchange News Service of the JSE Limited (“JSE”) (“SENS”) on Thursday, 7 January 2021, holders of ordinary no par value shares in the issued share capital of Cartrack (“Cartrack Shares”) (“Cartrack Shareholders”) were advised of the firm intention by Karooooo Pte. Ltd. (“Karoo000”) to make an offer to acquire all the Cartrack Shares, other than those held by Karooooo and the Cartrack Executive Incentive Trust (“Cartrack Trust”) (“Excluded Shareholders”) (the “Offer” or the “Karoo000 Offer”).

The Karooooo Offer will be implemented by way of a scheme of arrangement in terms of section 114(1) (read with section 115) of the Companies Act 71 of 2008 (“Companies Act”) (“Scheme”), proposed by the board of directors of Cartrack (“Board” or “Cartrack Board”) between Cartrack and Cartrack Shareholders, other than Excluded Shareholders (“Eligible Cartrack Shareholders”), in terms of which, if the Scheme becomes operative, Karooooo will acquire all of the Cartrack Shares held by Eligible Cartrack Shareholders (“Scheme Participants”) (“Scheme Shares”) from the Scheme Participants for a cash consideration of ZAR42.00 per Scheme Share (“Scheme Consideration”).

The Scheme, if implemented, will result in the acquisition by Karooooo of 100% of the Cartrack Shares held by Scheme Participants and will result in the delisting of all of the Cartrack Shares from the Main Board of the JSE (“Delisting”).

In conjunction with the Scheme, Karooooo propose to make an offer to Scheme Participants to utilise their Scheme Consideration (or part thereof) to subscribe for ordinary shares of no par value in the issued share capital of Karooooo (“Karoo000 Shares”) at the same value, resulting in the value of the Scheme Participants’ effective interest in Cartrack remaining unchanged after full reinvestment (“Reinvestment Offer”) (the Scheme and the Reinvestment Offer are together the “Proposed Transaction”). It is proposed that Karooooo Shares will subsequently be listed on the NASDAQ and be inward listed on the JSE.

Prior to implementation of the Scheme, Cartrack will repurchase the Cartrack Shares held by the Cartrack Trust Shares for an amount equal to the Scheme Consideration per Cartrack Trust Share (the “Specific Repurchase Consideration”) (“Specific Repurchase”).

As at the date of this letter, the authorised and issued share capital of the Company comprises the following:

- authorised ordinary share capital comprising:
  - 1 000 000 000 Cartrack Shares.
- issued ordinary share capital comprising:
  - 300 000 000 Cartrack Shares.

Full details of the Proposed Transaction are contained in the circular to Cartrack Shareholders dated on or about Tuesday, 19 January 2021 (“Circular”), which will include a copy of this letter.

The material interests of the directors are set out in paragraph 14 of the Circular and the effect of the Scheme on those interests and persons are set out in this section of the Circular.

Extracts of sections 115 and 164 of the Companies Act are set out in Annexures B and C respectively of the Circular and are incorporated herein by reference for purposes of section 114(3)(g) of the Companies Act.

#### **Report required in respect of the Scheme**

The Offer constitutes an “affected transaction” as defined in section 117(1)(c) of the Companies Act which will be implemented in accordance with the Companies Act and the Companies Regulations, 2011 (“Companies Regulations”) and will be regulated by the Takeover Regulation Panel (“TRP”).

In terms of the Offer, Karooooo will acquire the Scheme Shares from the Scheme Participants for the Share Scheme Consideration, whereupon Cartrack will become a wholly owned subsidiary of Karooooo.

The independent board of directors of Cartrack (“Independent Board”) is required to retain an independent expert to express an opinion dealing with the matters set out in sections 48(8), 114(2) and 114(3) of the Companies Act and regulations 90, 110(1) and 113(1)(a) of the Companies Regulations, on whether, in relation to the Offer, the Scheme Consideration is fair and reasonable to Cartrack Shareholders (the “Independent Expert Report”).

The Independent Board has appointed BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance” or “the Independent Expert”) as the Independent Expert, as required in terms of section 114(2) of the Companies Act and the Companies Regulations, to issue the Independent Expert Report.

### **Responsibility**

Compliance with the Listings Requirements is the responsibility of the Board. Compliance with the Companies Act and the Companies Regulations is the responsibility of the Independent Board. Our responsibility is to report to the Independent Board and Cartrack Shareholders on whether the terms and conditions of the Scheme are fair and reasonable to Cartrack Shareholders.

### **Explanation as to how the terms “fair” and “reasonable” apply in the context of the Scheme**

The “fairness” of a transaction is based on quantitative issues. A transaction will generally be considered to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The Scheme will be considered fair if the Scheme Consideration is equal or more than the fair value per Cartrack Share and unfair if the Scheme Consideration is less than the fair value per Cartrack Share.

The assessment of reasonableness of the Scheme is generally based on qualitative considerations surrounding the transaction. Hence, even though the consideration to be paid in respect of an offer may be lower than the fair value, the offer may be considered reasonable after considering other significant qualitative factors. The offer may be said to be reasonable if the offer consideration is greater than the trading price of an offer share as at the time of announcement of the offer consideration, or at some other more appropriate identifiable time.

### **DETAIL AND SOURCES OF INFORMATION**

In arriving at our opinion we have relied upon the following principal sources of information:

- The terms and conditions of the Proposed Transaction, as set out in the Circular;
- Audited annual financial statements and annual results presentation of Cartrack for the financial years (“FY”) ended February 2018, 2019 and 2020;
- Summarised unaudited consolidated interim financial results of Cartrack for the period ended 30 November 2020;
- Forecast financial information for the Cartrack, prepared by the management of Cartrack, for the financial years ending February 2021 (“FY21”) to 2024 (“FY24”);
- Revenue, cost and cash flows drivers per geographic segment and on a consolidated basis, prepared by the management of Cartrack, for a further six-year period ending February 2030 (“FY30”);
- Discussions with Cartrack directors, management and advisers regarding the historic and forecast financial information;
- Discussions with Cartrack directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- Publicly available information relating to the telematics industry in general; and
- Publicly available information relating to Cartrack that we deemed to be relevant, including company announcements, media articles and analyst presentations.

The information above was secured from:

- Directors and management of Cartrack and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Cartrack.

### **Procedures**

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

- Reviewed the terms and conditions of the Proposed Transaction;
- Reviewed the audited and unaudited financial information of Cartrack;
- Held discussions with the management of Cartrack regarding historic and forecast financial information and the outlook for the business of Cartrack in the key markets in which Cartrack operates;
- Reviewed and obtained an understanding from management as to the forecast financial information of Cartrack prepared by management. Considered the forecast cash flows and the basis of the assumptions therein including the prospects of the business of Cartrack. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management and we assessed the achievability thereof by considering historical information as well as macro-economic and sector-specific data;
- Compiled forecast cash flows for Cartrack by using the forecast financial information as detailed above. Applied BDO Corporate Finance’s assumptions of cost of capital to the forecast cash flows to produce a discounted cash flow (“DCF”) valuation of Cartrack;
- Compiled a capitalisation of maintainable earnings valuation of Cartrack by using adjusted historical and forecast financial information and applied BDO Corporate Finance’s calculated earnings multiples based on market comparables to earnings before interest, taxation, depreciation and amortisation (“EBITDA”);
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience and knowledge of the telematics industry generally;
- Assessed the long-term potential of Cartrack;
- Performed a sensitivity analysis on key assumptions included in the valuation;

- Evaluated the relative risks associated with Cartrack and the industry in which it operates;
- Reviewed certain publicly available information relating to Cartrack and the telematics sector that we deemed to be relevant, including company announcements and media articles, including available analyst coverage;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Cartrack operates, and to analyse external factors that could influence the businesses of Cartrack; and
- Held discussions with the directors and management of Cartrack as to their strategy for the business and the rationale for the Proposed Transaction and considered such other matters as we considered appropriate, including assessing the prevailing economic and market conditions and trends in the telematics sector.

### **Key qualitative considerations**

In arriving at our opinion, we have considered, in addition to the procedures referred to above, other key factors, which are set out below:

- The rationale for the Proposed Transaction as set out in the Circular.

### **Assumptions**

We arrived at our opinion based on the following assumptions:

- That all agreements that have been entered into in terms of the Proposed Transaction will be legally enforceable;
- That the Proposed Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Cartrack; and
- That reliance can be placed on the financial information of Cartrack.

### **Appropriateness and reasonableness of underlying information and assumptions**

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

- Placing reliance on audit reports in the financial statements of Cartrack;
- Conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of Cartrack and the economic environment in which the Company operates.

### **Limiting conditions**

This opinion has been given to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of the Cartrack Shareholders. The opinion does not purport to cater for each individual Cartrack Shareholders' perspective, but rather that of the general body of Cartrack Shareholders. Should a Cartrack Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Cartrack Shareholder's decision as to whether to vote in favour of the Scheme may be influenced by his particular circumstances. The assessment as to whether or not the Independent Board decides to recommend the Scheme is a decision that can only be taken by the Independent Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Cartrack relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Cartrack will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Scheme will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Cartrack and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

### **Independence, competence and fees**

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in the Cartrack Shares or the Scheme, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and 90(3)(a) of the Companies Regulations, that we are independent in relation to the Scheme and will reasonably be perceived to be independent. We also confirm that we have the necessary competence to provide the Independent Expert Report and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R450,000 (excluding VAT) are not contingent upon the success of the Scheme.

### **Valuation approach**

We have performed a valuation of a Cartrack Share by applying the DCF methodology as the primary valuation methodology and the capitalisation of maintainable earnings methodology as a secondary methodology to support the results of the DCF valuation.

This valuation has been prepared on the basis of "Market Value" used interchangeably with "Fair Value". The generally accepted definition of "Market Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

The valuations were performed taking cognisance of risk and other market and industry factors affecting Cartrack. Additionally, sensitivity analyses were performed considering key value drivers.

Key internal value drivers to the DCF valuation included subscriber and revenue growth, EBITDA margins, the discount rate (represented by the weighted average cost of capital ("WACC")) and capital expenditure requirements (in respect of capitalised telematics devices). Subscriber growth per geographic segment and average revenue per user ("ARPU") are the main drivers of forecast revenue.

External value drivers, including; key macro-economic parameters, market penetration and market size in each country in which Cartrack operates and prevailing market and industry conditions were considered in assessing the forecast cash flows and risk profile of Cartrack.

Our valuation results are also sensitive to revenue growth, sustainable EBITDA margins, capital expenditure and WACC applied in the DCF valuation.

We performed a sensitivity analysis on key assumptions included in the DCF valuations, specifically related to cost of capital and growth in revenue.

These sensitivity analyses did not indicate a sufficient effect to alter our opinion in respect of the Scheme.

#### **Valuation results**

In undertaking the valuation exercise above, we have determined a valuation range of ZAR35.36 to ZAR38.63 per Cartrack Share, with a most likely value of ZAR36.92 per Cartrack Share. The Scheme Consideration is above the fair value per the ordinary share range per our valuation and is at a premium of 13.77% to our most likely value.

The valuation range above is provided solely in respect of this opinion and should not be used for any other purposes.

#### **The offer consideration compared to the trading price**

The Scheme Consideration represents a premium of 40.56% to the closing price of a Cartrack Share of ZAR29.88, on Tuesday, 8 September 2020, being the last trading date prior to the date on which the first cautionary announcement was published on SENS.

#### **Opinions**

BDO Corporate Finance has considered the terms and conditions of the Scheme and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Scheme are fair to the Cartrack Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Scheme are reasonable from the perspective of the Cartrack Shareholders.

Our opinion is necessarily based upon the information available to us up to Wednesday 6 January 2021 ("Last Practicable Date"), including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Scheme have been fulfilled or obtained.

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

#### **Consent**

We hereby consent to the inclusion of this letter and references thereto in the Circular in the form and context in which they appear.

#### **BDO Corporate Finance Proprietary Limited**

Nick Lazanakis  
*Director*  
52 Corlett Drive  
Wanderers Office Park  
Illovo, 2196

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## SECTION 115 OF THE COMPANIES ACT: REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN CHAPTER 5 OF THE COMPANIES ACT

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- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a Scheme of arrangement, unless:
  - (a) the disposal, amalgamation or merger, or Scheme of arrangement:
    - (i) has been approved in terms of this section; or
    - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
  - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
    - (i) dispose of all or the greater part of its assets or undertaking;
    - (ii) amalgamate or merge with another company; or
    - (iii) implement a Scheme of arrangement, the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved:
  - (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
  - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
    - (i) the holding company is a company or an external company;
    - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
    - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
  - (c) by the Court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a Court if:
  - (a) the resolution was opposed by at least 15% (fifteen percent) of the voting rights that were exercised on that resolution and, within 5 (five) Business Days after the vote, any person who voted against the resolution requires the company to seek Court approval; or
  - (b) the Court, on an application within 10 (ten) Business Days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a Court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
  - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
  - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b)
- (5) If a resolution requires approval by a Court as contemplated in terms of subsection (3)(a), the company must either:
  - (a) within 10 (ten) Business Days after the vote, apply to the Court for approval, and bear the costs of that application; or
  - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the Court may grant leave only if it is satisfied that the applicant:
  - (a) is acting in good faith;
  - (b) appears prepared and able to sustain the proceedings; and
  - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).

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

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## SECTION 164 OF THE COMPANIES ACT: DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

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- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
  - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37 (8); or
  - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 (ten) Business Days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
  - (a) gave the company a written notice of objection in terms of subsection (3); and
  - (b) has neither:
    - (i) withdrawn that notice; or
    - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
  - (a) the shareholder:
    - (i) sent the company a notice of objection, subject to subsection (6); and
    - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
  - (b) the company has adopted the resolution contemplated in subsection (2); and
  - (c) the shareholder:
    - (i) voted against that resolution; and
    - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5) (a) (i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders' rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
  - (a) 20 (twenty) Business Days after receiving a notice under subsection (4); or
  - (b) if the shareholder does not receive a notice under subsection (4), within 20 (twenty) Business Days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
  - (a) the shareholder's name and address;
  - (b) the number and class of shares in respect of which the shareholder seeks payment; and
  - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
  - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
  - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
  - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

- (11) Within 5 (five) Business Days after the later of:
- (a) the day on which the action approved by the resolution is effective;
  - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
  - (c) the day the company received a demand as contemplated in subsection (7) (b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
  - (b) lapses if it has not been accepted within 30 (thirty) Business Days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
    - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
    - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
  - (b) the company must pay that shareholder the agreed amount within 10 (ten) Business Days after the shareholder accepted the offer and:
    - (i) tendered the share certificates; or
    - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a Court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
  - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the Court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the Court;
  - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the Court proceedings; and
  - (c) the Court:
    - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
    - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
    - (iii) in its discretion may:
      - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
      - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
    - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the Court; and
    - (v) must make an order requiring:
      - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13) (a); and
      - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13) (a), subject to any conditions the Court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the Court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of Subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection (13)(a); and
  - (b) the company must comply with the requirements of subsection (13)(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.



- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a Court order in terms of subsection (15)(c)(v) (bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 (twelve) months:
- (a) the company may apply to a Court for an order varying the company's obligations in terms of the relevant subsection; and
  - (b) the Court may make an order that:
    - (i) is just and equitable, having regard to the financial circumstances of the company; and
    - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
  - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
  - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

## FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

The definitions and interpretations commencing on page 21 of this Circular apply, *mutatis mutandis*, to this Annexure.

The information below is not intended as legal advice and it does not purport to describe all of the considerations that may be relevant to Cartrack Shareholders. Cartrack Shareholders that are South African residents or emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the Scheme.

### 1. FOREIGN SHAREHOLDERS

- 1.1 The Scheme may be affected by the laws of the relevant jurisdiction of a Foreign Shareholder.
- 1.2 A Foreign Shareholder should acquaint itself with and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.
- 1.3 The Scheme is governed by the laws of South Africa, including the Exchange Control Regulations.
- 1.4 Any Foreign Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

### 2. EXCHANGE CONTROL REGULATIONS

#### 2.1 Introduction

- 2.1.1 Exchange controls are administered by the Financial Surveillance Department of the South African Reserve Bank (“**SARB**”), in terms of the Exchange Control Regulations, and regulate transactions involving South African residents. The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. Cartrack expects that South African exchange controls will continue to operate in the foreseeable future. The Government of South Africa has, however, committed itself to relaxing exchange controls gradually and significant relaxation has occurred in recent years.
- 2.1.2 The settlement of the Scheme Consideration for both Certificated Scheme Participants and Dematerialised Scheme Participants who are Foreign Shareholders will be subject to the Exchange Control Regulations.
- 2.1.3 The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Foreign Shareholders. Foreign Shareholders must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Scheme Consideration, including applicable Exchange Control Regulations. Foreign Shareholders who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

#### 2.2 Residents of the Common Monetary Area

In the case of:

- 2.2.1 Certificated Scheme Participants whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration (or part thereof) will be paid to such Certificated Scheme Participants by way of EFT into the South African bank account nominated by them in Part C of the Form of Surrender and Transfer (*pink*).
- 2.2.2 Dematerialised Scheme Participants whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations, the Scheme Consideration will be credited directly to the accounts nominated for the relevant Dematerialised Scheme Participant by their duly appointed CSDP or Broker in terms of the provisions of the custody agreement with their CSDP or Broker.

#### 2.3 Emigrants from the Common Monetary Area

- 2.3.1 The Scheme Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.
- 2.3.2 The Scheme Consideration owing to a Certificated Scheme Participant 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 Rand account with the authorised dealer in foreign exchange in South Africa controlling the Certificated Scheme Participants’ blocked assets in accordance with his instructions, against delivery of the relevant Documents of Title.
- 2.3.3 Emigrants may externalise the Scheme Consideration by making application to the Financial Surveillance Department of the SARB via the requisite authorised dealer channel.

2.3.4 The authorised dealer releasing the relevant Documents of Title must countersign the Form of Surrender and Transfer (*pink*) thereby indicating that the Scheme Consideration will be placed directly in its control.

2.3.5 The Form of Surrender and Transfer (*pink*) makes provision for the details and signature of the authorised dealer concerned to be provided.

2.4 **All other non-residents of the Common Monetary Area**

2.4.1 The Scheme Consideration due to a Certificated Scheme Participant 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 Certificated Scheme Participant. It will be incumbent on the Certificated Scheme Participant concerned to instruct the nominated authorised dealer as to the disposal of the amounts concerned, against delivery of the relevant Documents of Title.

2.4.2 The Form of Surrender and Transfer (*pink*) attached to this Circular makes provision for the nomination required in terms of the paragraph above. If the information regarding the authorised dealer is not given in terms of such paragraph, the Scheme Consideration will be held in trust by Cartrack for the Scheme Participants concerned pending receipt of the necessary information or instruction.

2.5 **Information not provided**

If the information regarding authorised dealers is not given or the instructions are not given and no bank account or address details for the Scheme Participants in question appears in the Register, the Scheme Consideration will be held in trust by Cartrack or the Transfer Secretaries on behalf of Cartrack for the Scheme Participants concerned, pending receipt of the necessary information or instructions.

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## TAX CONSEQUENCES OF THE SCHEME AND THE REINVESTMENT OFFER

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*The definitions and interpretations commencing on page 21 of this Circular apply, mutatis mutandis, to this Annexure*

### 1. Introduction

- 1.1 The following summary describes the principal South African income tax considerations generally applicable to the Scheme. This summary is based on the current provisions of the Income Tax Act, and the prevailing practice adopted by the SARS published in writing prior to the date hereof. This summary does not consider legislative proposals to amend the Income Tax Act.
- 1.2 This summary is of a general nature only and is not intended to be legal or tax advice to any particular Cartrack Shareholder. This summary is not exhaustive of all South African income tax considerations. Accordingly, Cartrack Shareholders should consult their own tax advisors as to the tax consequences under the tax laws of the country of which they are resident or otherwise subject to tax of participating in the Scheme Consideration.

### 2. Scheme

#### South African Tax Resident Cartrack Shareholders

Scheme Participants will dispose of their Scheme Shares for the Scheme Consideration in terms of the Scheme. Scheme Participants will be subject to either income tax (in the case of share dealers) or capital gains tax (in the case of capital investors) as a result of such disposal. The tax implications for Scheme Participants such disposal will depend on the specific circumstances of each Scheme Participant. Scheme Participants should seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position.

#### Non-South African Tax Resident Shareholders (“Non-SA Tax Resident Shareholders”)

Scheme Participants will dispose of their Scheme Shares for the Scheme Consideration in terms of the Scheme, which will result in a ‘disposal’ of the Scheme Shares by the Non-SA Tax Resident Shareholders. Non-SA Tax Resident Shareholders will not be subject to tax in terms of the Income Tax Act, provided that the Scheme Shares are not attributable to a permanent establishment of the Non-SA Tax Resident Shareholder in South Africa.

### 3. The Reinvestment Offer

#### South African Tax Resident Cartrack Shareholders

Scheme Participants who subscribe for Karo0000 Shares in terms of the Reinvestment Offer will, in the case of capital investors, obtain a base cost in the Karo0000 Shares equal to the Scheme Consideration applied to subscribe for such Karo0000 Shares.

Scheme Participants who subscribe for Karo0000 Shares in terms of the Reinvestment Offer will, in the case of share dealers, be allowed as a deduction under section 11(a) of the Income Tax Act the amount of the Scheme Consideration applied to subscribe for such Karo0000 Shares.

#### Non-SA Tax Resident Shareholders

Scheme Participants who subscribe for Karo0000 Shares in terms of the Reinvestment Offer will, in the case of capital investors where such the Scheme Shares are attributable to a permanent establishment of the Non-SA Tax Resident Shareholder in South Africa, obtain a base cost in the Karo0000 Investment Shares equal to the Scheme Consideration applied to subscribe for such Karo0000 Shares.

Scheme Participants who subscribe for Karo0000 Shares in terms of the Reinvestment Offer will, in the case of share dealers where such the Scheme Shares are attributable to a permanent establishment of the Non-SA Tax Resident Shareholder in South Africa, be allowed as a deduction under section 11(a) of the Income Tax Act the amount of the Scheme Consideration applied to subscribe for such Karo0000 Shares.

## EXTRACTS OF THE AUDITED GROUP ANNUAL FINANCIAL STATEMENTS OF THE CARTRACK GROUP

### AUDITED FINANCIAL RESULTS FOR THE YEARS ENDED 29 FEBRUARY 2020, 28 FEBRUARY 2019 AND 28 FEBRUARY 2018

A complete set of the audited financial statements of Cartrack are available on the Cartrack website at <https://www.cartrack.co.za/investor-relations>.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 29 February 2020

	2020	2019	2018
	(Figures in Rand thousands)		
<b>ASSETS</b>			
Non-current assets			
Goodwill	131 503	122 098	107 597
Intangible assets	40 739	13 636	–
Property, plant and equipment	854 506	705 974	516 045
Capitalised commission assets	144 549	108 547	–
Deferred tax assets	106 482	98,055	49 488
<b>Total non-current assets</b>	<b>1 277 779</b>	<b>1 048 310</b>	<b>673 130</b>
Current assets			
Inventories	151 616	206 026	173 680
Trade and other receivables	251 747	215 589	154 952
Loans to related parties	11 013	213	2 272
Taxation	6 511	7 054	4 143
Cash and cash equivalents	145 787	51 906	69 573
Total current assets	566 674	480 788	404 620
<b>Total assets</b>	<b>1 844 453</b>	<b>1 529 098</b>	<b>1 077 750</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital	42 488	42 488	42 488
Treasury shares	(12 105)	(12 105)	(12 105)
Foreign currency translation reserve	16 124	(15 462)	(41,311)
Retained earnings	1 153 683	806 306	601 224
Equity attributable to equity holders of parent	1 200 190	821 227	590 296
Non-controlling interest	24 185	16 391	10 125
<b>Total equity</b>	<b>1 224 375</b>	<b>837 618</b>	<b>600 421</b>
Liabilities			
Non-current liabilities			
Term loans	17 815	218 765	–
Capitalised lease liabilities	54 148	69 256	28 635
Amounts received in advance	55 817	–	5 253
Deferred tax liabilities	85 392	33 197	2 316
<b>Total non-current liabilities</b>	<b>213 172</b>	<b>321 218</b>	<b>36 204</b>
Current liabilities			
Term loans	5 154	20 525	–
Trade and other payables	170 928	155 530	111 722
Loans from related parties	8 362	7 716	5 486
Capitalised lease liabilities	44 849	47 656	27 637
Taxation	22 969	42 132	55 911
Provision for warranties	1 679	2 564	6 482
Amounts received in advance	152 965	80 377	68 860
Bank overdraft	–	13 762	165 027
Total current liabilities	406 906	370 262	441 125
Total liabilities	620 078	691 480	477 329
<b>Total equity and liabilities</b>	<b>1 844 453</b>	<b>1 529 098</b>	<b>1 077 750</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 29 February 2020

	2020	2019	2018 Restated <sup>1</sup>
	(Figures in Rand Thousands)		
Revenue	1 941 893	1 692 708	1 324 245
Cost of sales	(574 770)	(484 700)	(357 093)
Gross profit	1 367 123	1 208 008	967 152
Other income	1 867	6 279	9 091
Expected credit losses on financial assets	(54 872)	(45 171)	–
Operating expenses	(672 395)	(669 197)	(541 947)
Sales and marketing	(177 870)	(177 351)	(121 591)
Administration and other charges	(494 525)	(491 846)	(420 356)
Operating profit	641 723	499 919	434 296
Finance income	2 592	2 749	3 641
Finance costs	(16 831)	(31 438)	(15 729)
Profit before taxation	627 484	471 230	422 208
Taxation	(171 062)	(110 182)	(111 726)
Profit for the year	456 422	361 048	310 482
Profit attributable to:			
Owners of the parent	442 982	347 806	300 146
Non-controlling interest	13 440	13 242	10 336
Administration and other charges	456 422	361 048	310 482
Earnings per share			
Basic and diluted earnings per share (cents)	148.3	116.4	100.5

<sup>1</sup> Refer note 2.1B for additional information regarding the restated figures.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 29 February 2020

	2020	2019	2018
	(Figures in Rand thousands)		
Profit for the year	456 422	361 048	310 482
Items that may be reclassified to profit or loss in future periods:			
Exchange differences on translating foreign operations	35 052	29 928	(2 795)
Other comprehensive income for the year	35 052	29 928	(2 795)
Total comprehensive income for the year net of income tax	491 474	390 976	307 687
Total comprehensive income attributable to:			
Owners of the parent	474 568	373 655	303 386
Non-controlling interest	16 906	17 321	4 301
	<b>491 474</b>	<b>390 976</b>	<b>307 687</b>

## SHARE PRICE HISTORY OF CARTRACK

Set out below is a table showing the aggregate volumes and values traded, closing price and the highest and lowest prices traded in Cartrack Shares for:

- each month each month over the 12 (twelve) months prior to the date of issue of this Circular; and
- each day over the 30 (thirty) days preceding the Last Practicable Date and prior to the date of issue of this Circular.

Period	High Price (cents)	Low Price (cents)	Closing Price (cents)	Volume Traded	Value Traded (R)
<b>Monthly</b>					
November 2019	2 940	2 401	2 689	1 826 287	47 460 697
December 2019	2 699	2 410	2 423	698 954	18 135 980
January 2020	2 724	2 400	2 599	860 053	22 196 337
February 2020	2 698	2 008	2 400	360 355	9 032 960
March 2020	2 535	1 750	2 000	1 404 481	31 271 821
April 2020	2 501	1 820	2 306	358 237	7 828 510
May 2020	2 449	2 000	2 320	574 253	13 046 042
June 2020	2 439	2 141	2 200	850 754	19 228 312
July 2020	2 791	2 649	2 519	5 313 687	128 634 515
August 2020	3 500	2 475	2 800	923 439	25 677 879
September 2020	3 950	2 656	3 702	1 134 649	35 845 972
October 2020	4 850	3 357	4 035	1 667 528	69 762 640
November 2020	4 850	3 357	4 308	667 543	28 376 312
December 2020	5 000	4 003	4 900	406 625	18 022 859
<b>Daily</b>					
25 November 2020	4 146	3 705	4 140	34 646	1 391 593
26 November 2020	4 230	4 050	4 051	59 433	2 463 088
27 November 2020	4 247	4 045	4 226	21 468	883 348
30 November 2020	4 319	4 100	4 308	9 219	390 154
01 December 2020	4 369	4 200	4 324	5 174	222 000
02 December 2020	4 379	4 111	4 111	22 226	937 631
03 December 2020	4 250	4 080	4 080	15 705	656 116
04 December 2020	4 249	4 100	4 100	10 269	425 046
07 December 2020	4 378	4 020	4 055	14 474	594 857
08 December 2020	4 250	4 003	4 248	14 271	581 800
09 December 2020	4 379	4 051	4 110	3 554	149 032
10 December 2020	4 349	4 052	4 308	23 203	958 076
11 December 2020	4 329	4 200	4 300	30 511	1 303 926
14 December 2020	4 350	4 173	4 345	12 056	520 695
15 December 2020	4 340	4 250	4 340	54	2 299
17 December 2020	4 345	4 263	4 300	2 428	105 352
18 December 2020	4 400	4 250	4 400	29 796	1 297 195
21 December 2020	4 633	4 399	4 450	75 311	3 427 320
22 December 2020	4 550	4 450	4 515	11 170	502 160
23 December 2020	4 701	4 499	4 700	84 764	3 870 738
24 December 2020	4 999	4 700	4 810	30 431	1 451 645
28 December 2020	5 000	4 701	4 844	4 144	197 580
29 December 2020	4 876	4 700	4 722	10 476	499 930
30 December 2020	4 874	4 722	4 826	5 847	281 973
31 December 2020	5 000	4 778	4 900	761	37 491
04 January 2021	4 900	4 700	4 822	39 182	1 883 751
05 January 2021	4 900	4 713	4 765	10 855	525 611
06 January 2021	4 888	4 711	4 800	2 064	97 953
07 January 2021	5 200	4 500	5 150	159 783	7 689 409
08 January 2021	6 075	5 150	5 174	247 944	13 671 350

Source: Bloomberg

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## EXTRACT OF THE SALIENT TERMS OF KAROOOOO'S PROPOSED CONSTITUTION

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### Set out below are extracts from the Constitution of Karooooo relating to the voting rights attaching to the Shares

*“Subject and without prejudice to any special rights or restrictions as to voting for the time being attached to any class or classes of shares for the time being forming part of the capital of the Company and to article 13(C), each member entitled to vote may vote in person or by proxy or by attorney or other duly authorised representative. Every member who is present in person or by proxy, or by attorney or other duly authorised representative shall:*

- (a) *on a show of hands, have one vote, Provided always that in the case of a member who is represented by two or more proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote on a show of hands; and*
- (b) *on a poll, have one vote for each share which he holds or represents.*

*In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy or by attorney or other duly authorised representative, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.*

*Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy or by attorney or other duly authorised representative at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*

*Subject to the Statutes and any applicable laws, the holders of shares (other than ordinary shares) and any special shares created for purpose of black economic empowerment in terms of the Broad-Based Black Economic Empowerment Act No.53 of 2003 of South Africa (“**Preference Shareholders**”) shall not be entitled to vote on any resolution taken by the Company, save in the following instances:*

- (a) *during any special period, as provided for in article 8A(c), during which any dividend, any part of any dividend on such shares held by the Preference Shareholders or any redemption payment thereon remains in arrears and unpaid;*
- (b) *in regard to any resolution proposed for the winding-up of the Company or the reduction of its capital;*
- (c) *the period referred to in article 8A(a) shall be a period not more than six months after the due date of the dividend or redemption payment in question or, where no due date is specified, after the end of the financial year of the Company in respect of which such dividend accrued or such redemption payment became due; and*
- (d) *in regard to any resolution proposed to vary any rights attached to shares held by such Preference Shareholders.*

*Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder thereof.”*

### Set out below are the requisite extracts from the Constitution of Karooooo

#### **“Notice of General Meeting**

*Subject to the provisions of the Act relating to Special Resolutions and agreements to shorter notice, 14 days’ notice at the least (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to all members and such persons as are under the provisions of this Constitution and the Act entitled to receive such notices from the Company; Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:*

- (a) *in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and*
- (b) *in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the members having a right to vote at that meeting,*

*Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.*

#### **Number of Directors**

*Subject to the other provisions of Section 145 of the Act, there shall be at least one Director who is ordinarily resident in Singapore.*

#### **Appointment of additional Directors**

*The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time to do so, but any person so appointed by the Directors shall hold office only until the next Annual General Meeting. He shall then be eligible for reelection, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.*



**Share qualification**

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

**Director's remuneration**

Subject to the provisions of Section 169 of the Act, the remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

**Appointment of chief executive officer**

The Directors may from time to time appoint one or more of their body to be Chief Executive Officer or Chief Executive Officers (or other equivalent position) of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

**Remuneration of chief executive officer**

Subject to Section 169 of the Act, where applicable, the remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to this Constitution be by way of salary or commission or participation in profits or by any or all these modes.

**Powers of chief executive officer**

The Directors may from time to time entrust to and confer upon a Chief Executive Officer (or person holding an equivalent position) for the time being such of the powers exercisable under this Constitution by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**Removal of Directors**

The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of this Constitution or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment, the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

**Retirement of Directors by rotation**

At each Annual General Meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), selected in accordance with article 89, shall retire from office by rotation (in addition to any Director retiring pursuant to article 92).

**Election of Directors**

The Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last reelection or appointment and so that as between persons who became or were last reelected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for reelection.

**Director's interests**

Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office held or property possessed by a Director which might create duties or interests in conflict with his duties or interests as a Director. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

**General powers and duties of directors**

The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Statutes or by this Constitution required to be exercised by the Company in General Meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking or property unless such proposals have been approved by the Company in General Meeting in accordance with the provisions of the Act. The general powers given by this article shall not be limited or restricted by any special authority or power given to the Directors by any other article.

**Borrowing powers**

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

**Declaration of dividends**

The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

### **Manner of payment of dividends**

*If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*

### **Unclaimed dividends**

*The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture.*

### **Payment of dividend in specie**

*The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*

### **Reserves**

*The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes.*

### **Directors' powers on capitalisations or distribution of profits**

*The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

### **Winding up**

*The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.*

### **Distribution of assets on winding up**

*If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of the same kind or not, and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other securities in respect of which there is a liability."*

## COMPARATIVE ANALYSIS OF SHAREHOLDERS RIGHTS AND PROTECTIONS

The below table summarises the material differences between the rights and protections afforded to a shareholder holding an equity instrument in a company duly incorporated and registered in South Africa and those afforded to a shareholder holding an equity instrument in a company duly incorporated in Singapore, which result from differences in the laws of South Africa and Singapore.

South Africa	Singapore
<b>Business and Affairs of a Company</b>	
<p>The business and affairs of a company are managed by or under the direction of the board of directors of a company, which has the authority to exercise all of the powers and perform any of the functions of the company, except that the Companies Act or memorandum of incorporation may provide otherwise. However, certain matters do require shareholder approval as discussed below.</p>	<p>The business of a company shall be managed by, or under the direction or supervision of, the directors of the company. The directors may exercise all the powers of the company except any powers as are required by the Singapore Companies Act or by the constitution of the company to be exercised by the company in a general meeting.</p>
<b>Meetings of Shareholders</b>	
<i>Annual General Meeting</i>	
<p>In terms of the Companies Act, public companies must hold an annual general meeting at which the following minimum business must be conducted:</p> <ul style="list-style-type: none"> <li>(i) presentation of directors' report, annual financial statements and audit committee report;</li> <li>(ii) director elections;</li> <li>(iii) appointment of an auditor and audit committee; and</li> <li>(iv) any other matters raised by the shareholders.</li> </ul> <p>Shareholders have the right to attend the annual general meeting and vote according to their shares. Shareholders get one vote per share and most votes are carried by a simple majority.</p>	<p>Subject to the Singapore Companies Act, a public company (other than one that has been admitted to the official list of the Singapore Exchange Securities Trading Limited and has not been removed from that official list) is required to hold an annual general meeting within 6 (six) months from the end of its fiscal year.</p> <p>Under the proposed constitution of Karooooo, the routine business to be transacted at an annual general meeting include business of the following classes:</p> <ul style="list-style-type: none"> <li>(i) declaring a dividend;</li> <li>(ii) receiving and adopting, among other things, the financial statements, the directors' statement and the auditor's report;</li> <li>(iii) appointing or re-appointing directors to fill vacancies arising at the meeting on retirement by rotation or otherwise;</li> <li>(iv) appointing or re-appointing the auditor;</li> <li>(v) fixing the remuneration of the auditor or determining the manner in which such remuneration is to be fixed; and</li> <li>(vi) fixing the remuneration of the directors proposed to be paid in respect of their office.</li> </ul> <p>The Singapore Companies Act provides that a shareholder is entitled to attend any general meeting and speak on any resolution put before the general meeting. Subject to the Singapore Companies Act, any written law to the contrary and the constitution of a company, a share in a company confers on the holder of the share the right to one vote on a poll at a meeting of the company on any resolution.</p> <p>Unless otherwise required by law or by the proposed constitution of Karooooo, voting on resolutions put forth at general meetings is by ordinary resolution, requiring the affirmative vote of a simple majority of the voting rights of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution. A special resolution, requiring the affirmative vote of not less than three-fourths of the voting rights of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution, is necessary for certain matters under Singapore law.</p>

*General shareholders' meeting*

Typically, a shareholders' meeting may only be convened once the notice requirements set out in section 62 of the Companies Act have been complied with. A company must deliver a notice of each shareholders' meeting in the prescribed form and manner. In the case of a public company the notice period is at least 15 (fifteen) business days before the meeting is to begin. The notice requirements contained in the Companies Act serve only as a guideline and a company's memorandum of incorporation may provide for different minimum notice periods. A shareholders' meeting may also be called on shorter notice than the period prescribed, provided that every shareholder who is entitled to vote is present at the meeting and votes to waive the minimum notice period.

Any general meeting other than the annual general meeting is called an "extraordinary general meeting". The proposed constitution of Karooooo provides that the directors may convene an extraordinary general meeting whenever they think fit.

Two or more shareholders holding not less than 10% (ten percent) of the total number of issued shares (excluding treasury shares) may call an extraordinary general meeting.

Notwithstanding anything in the constitution, the directors are required to convene a general meeting if required to do so by requisition (i.e., written notice to directors requiring that a meeting be called) by shareholders holding not less than 10% (ten percent) of the total number of paid-up shares as at the date of the deposit of the requisition carrying the right of voting at general meetings of the company (disregarding paid-up shares held as treasury shares).

Under the proposed constitution of Karooooo, Karooooo must give at least 21 (twenty one) days' notice in writing for every general meeting convened for the purpose of passing a special resolution. General meetings convened for the purpose of passing ordinary resolutions generally require at least 14 (fourteen) days' notice in writing.

Under the proposed constitution of Karooooo, a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting by all the members entitled to attend and vote thereat; and
- (ii) in the case of an extraordinary general meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 (ninety five) percent of the total voting rights of all the members having a right to vote at that meeting.

*Quorum Requirements*

A shareholders' meeting may not commence until sufficient persons are present to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights in respect of at least one matter to be decided.

The Companies Act allows a company's memorandum of incorporation to specify a different quorum threshold.

Subject to the Singapore Companies Act and the constitution of a company, two members of the company personally present shall form a quorum.

The Singapore Companies Act allows a company's constitution to specify a different quorum threshold.

*Shareholder Rights to Appoint a Proxy*

A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at, a shareholders' meeting on behalf of the shareholder or give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Companies Act.

In order for a shareholder to appoint a proxy as contemplated above, the shareholder must appoint the proxy in writing and the proxy appointment remains valid for a period of 1 year after the date on which it was signed any shorter period set out in the appointment.

Subject to the Singapore Companies Act, a member of a company entitled to attend and vote at a meeting of the company, or at a meeting of any class of members of the company, shall be entitled to appoint another person, whether a member or not, as his proxy to attend and vote instead of the member at the meeting and a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting.

Under the proposed constitution of Karooooo, the instrument appointing a proxy shall be in writing.

*Shareholders Acting other than at a Meeting*

A resolution that could be voted on at a shareholders' meeting may instead be: (i) submitted for consideration to the shareholders entitled to exercise voting rights in relation to the resolution; and (ii) voted on in writing by shareholders entitled to exercise voting rights in relation to the resolution within 20 business days after the resolution was submitted to them.

Such a resolution may only be adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution at a properly constituted shareholders' meeting. A resolution so adopted will have the same effect as if it had been approved by voting at a meeting.

Shareholder action by written consent is not permitted for a listed public company.

**Shareholder Approvals***Thresholds*

For an ordinary resolution to be approved by shareholders, it must be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution.

For a special resolution to be approved by shareholders, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on the resolution.

Except for an ordinary resolution to remove a director, a company's memorandum may require (i) a higher percentage of voting rights to approve an ordinary resolution or (ii) one or more higher percentages of voting rights to approve ordinary resolutions concerning one or more particular matters, respectively, provided that there must at all times be a margin of at least 10 (ten) percentage points between highest established requirement for approval of an ordinary resolution on any matter and the lowest established requirement for approval of a special resolution on any matter.

Similarly, a company's memorandum of incorporation may require (i) a different percentage of voting rights to approve a special resolution or (ii) one or more different percentages of voting rights to approve special resolutions concerning one or more particular matters, respectively, provided that there must at all times be a margin of at least 10 (ten) percentage points between highest established requirement for approval of an ordinary resolution on any matter and the lowest established requirement for approval of a special resolution on any matter.

For an ordinary resolution to be approved by shareholders, an affirmative vote of a simple majority of the voting rights of shareholders present in person or represented by proxy at the meeting and entitled to vote is required.

For a special resolution to be approved by shareholders, an affirmative vote of not less than three-fourths of the voting rights of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution is required.

*Key Special Resolutions*

The South African's Companies Act requires the following actions to be approved by the passing of a special resolution of the shareholders of the company:

- (i) the amendment of the company's memorandum of incorporation;
- (ii) the approval of an issue of shares or grant of rights in certain circumstances;
- (iii) the authorisation of the board to grant financial assistance;
- (iv) the approval a decision of the board for re-acquisition of shares;
- (v) authorizing payment of remuneration to directors;
- (vi) the approval of the voluntary winding up of the company;
- (vii) the approval of the winding up of a company;
- (viii) the approval of an application to transfer the registration of the company to a foreign jurisdiction;
- (ix) the approval of any proposed fundamental transaction (sale of business, mergers, scheme of arrangements); and
- (x) the revocation of a resolution contemplated in section 164(9) (c) of the Companies Act.

A company's memorandum of incorporation may require a special resolution to approve any other matter not contemplated in section 65(11) of the Companies Act.

In addition, in terms of the JSE Listings Requirements, certain actions must be approved by the passing of a special resolution of the shareholders of the company. For example:

- (i) category 1 transactions (being principally substantial acquisitions and disposals);
- (ii) issuance of shares for cash;
- (iii) repurchase of shares; and
- (iv) certain related party transactions.

The Singapore Companies Act requires, among others, the following actions to be approved by the passing of a special resolution of the shareholders of the company:

- (i) alteration of or addition to the company's constitution, subject to any entrenching provision in the constitution;
- (ii) change of a company's name;
- (iii) conversion of a private company to a public company and vice versa;
- (iv) authorisation of the terms of the agreement for a selective off-market share buyback by a company, and variation or revocation of such authorisation;
- (v) advance authorisation of a proposed contingent purchase contract that allows a company to purchase or acquire its own shares, and variation or revocation of such authorisation, and variation of an existing contingent purchase contract so approved;
- (vi) approval of an agreement that allows payments to any director of a company by way of compensation for loss of office or as consideration for or in connection with his retirement from office;
- (vii) approval for a public company to undertake any issuance of shares that confers special, limited or conditional voting rights, or that confers no voting rights;
- (viii) conversion of one class of shares into another class of shares by a public company where the constitution of the company permits the latter class of shares to be issued and sets out the rights attached to that class of shares;
- (ix) approval for the giving of financial assistance by a public company or a subsidiary of a public company for acquisition or proposed acquisition by a person of shares in the company, its holding company or its ultimate holding company, as the case may be;
- (x) approval of amalgamation proposal between companies in accordance with the full amalgamation procedures under the Singapore Companies Act that do not require a court order;
- (xi) approval of amalgamation between (a) a holding company and one or more of its wholly-owned subsidiaries; or (b) two or more wholly-owned subsidiary companies of the same corporation; in accordance with the short-form amalgamation procedures under the Singapore Companies Act that do not require a court order; and
- (xii) reduction of share capital by a public company.

The Singapore Insolvency, Restructuring and Dissolution Act requires, among others, the following actions to be approved by the passing of a special resolution of the shareholders of the company:

- (i) winding up of a company by the court; and
- (ii) voluntary winding up of a company.

*Key Ordinary Resolutions*

Certain matters require the approval of an ordinary resolution of the shareholders of the company, including:

- (i) the ratification of certain resolutions;
- (ii) the removal of a director by persons entitled to exercise voting rights in the election of that director;
- (iii) enabling a person who is the sole director of a company but does not hold all of the beneficial interests of all of the issued securities of the company to: (a) approve or enter into any agreement in which the said person or a related person has a personal financial interest; or (b) in the said person's capacity as a director, determine any other matter in which the said person or a related person has a personal financial interest as contemplated in section 75(3) of the Companies Act; and
- (iv) the appointment of the first company secretary of the company.

The Singapore Companies Act requires, among others, the following actions to be approved by the passing of an ordinary resolution of the shareholders of the company:

- (i) removal by a public company of a director before the expiration of his period of office (notwithstanding anything in the constitution or any agreement between the director and the company) or to appoint some person in place of a director so removed at the meeting at which he is removed;
- (ii) approval for the provision or improvement of emoluments for a director of a company in respect of his office (with the condition that the resolution granting such approval must not be related to other matters);
- (iii) approval for the disposal of the whole or substantially the whole of a company's undertaking or property (notwithstanding anything in the constitution);
- (iv) approval for the issue of shares by directors (notwithstanding anything in the constitution), or revocation or variation of such approval;
- (v) authority for, and revocation or variation of such authority for, off-market share buyback on equal access scheme; and
- (vi) authority for, and revocation or variation of such authority for, purchase or acquisition of a company's own shares on a securities exchange.

**Issuance of Shares**

The board of directors of a company has the power to issue shares of the company at any time, to the extent that those shares have been classified and authorised, in terms of the company's memorandum of incorporation. In cases where the voting power of the shares to be issued constitute 30% (thirty percent) or more of the voting power of the existing authorised shares, shareholder approval will be required to enable a company to issue shares as contemplated section 41(3) of the Companies Act and paragraph 5.52 of the JSE Listings requirements.

In the case of listed companies, an issuer proposing to issue equity securities for cash must first offer those securities (unless the issue is an acquisition issue) to existing holders of equity securities in proportion to their existing holdings by way of a rights offer. Only to the extent that such securities are not taken up by holders of equity securities under the offer may they then be issued for cash to other persons or otherwise than in the proportion mentioned above.

Section 161 of the Singapore Companies Act provides that notwithstanding anything in the company's constitution, the directors shall not exercise any power to issue shares without prior approval of the shareholders in a general meeting. Such authorisation may be obtained by ordinary resolution (i.e. a resolution requiring the affirmative vote of a simple majority of the voting rights of those shareholders present and voting in person or by proxy). Once this shareholders' approval is obtained, unless previously revoked or varied by the company in a general meeting, it continues in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting after that date is required by law to be held, whichever is earlier; but any approval may be revoked or varied by the company in a general meeting.



### Business Combinations

In South Africa, business combinations are generally effected through the acquisition of one company by another company or the acquisition of the business (assets) of one company by another. The primary methods whereby businesses combine in South Africa are: (i) a scheme of arrangement; (ii) merger and amalgamation (iii) disposal of assets and a takeover.

A company may not implement a disposal of all or a greater part of its assets, merger or scheme of arrangement without the approval of its shareholders, which must be given by way of a special resolution. Furthermore, in order for that resolution to be validly adopted: (i) a meeting of shareholders must be called to consider the resolution and notice of that meeting must be given to shareholders in the prescribed manner; (ii) the resolution must be supported by 75% (seventy five percent) of the votes cast on the resolution at a quorate meeting, although this percentage may be varied in the company's memorandum of incorporation and (iii) the votes controlled by an acquiring party (together with its related persons and concert parties) must be ignored when determining whether the meeting was quorate and whether the resolution received the required support.

Section 9 of the JSE Listings Requirements categorises transactions by assessing the size of the transaction relative to that of the issuer. The main distinction as far as shareholder approval is concerned is between (i) Category 2 – transactions, being those where the percentage ratio (the consideration payable by the issuer divided by the market capitalisation of the issuer) is 5% (five percent) or more but each is less than 30% (thirty percent) and (ii) Category 1 – transactions where the percentage ratio is 30% (thirty percent) or more or if the total consideration is not subject to any maximum. Notably, Category 1 transactions require shareholder approval whereas Category 2 transaction only require an announcement to the issuer's shareholders.

Notwithstanding the above, takeover offers are subject to more stringent requirements in that the Companies Act obliges a potential acquirer to make a mandatory offer to all shareholders of a company if, as a result of an acquisition by the acquirer or a share buy-back, the acquirer holds the prescribed percentage (which is expected to remain at 35% (thirty five percent)) or more of the voting shares of a company.

The Companies Act also regulates the manner in which the acquirer must make a mandatory offer and the manner in which partial offers and offers to acquire all of the shares in a company must be made. In addition, any person who acquires or disposes of a company's shares is obliged to notify the company of that fact if the aggregate shareholding of that person reaches or drops below any whole multiple of 5% (five percent) as a result of that acquisition or disposal and any company receiving such a notice is obliged to file a copy of the notice with the Takeover Regulation Panel and, unless the transaction involved less than 1% (one percent) of the company's shares, report the contents of that notice to its shareholders.

The Singapore Companies Act mandates that specified corporate actions require approval by the shareholders in a general meeting, notably:

- (i) notwithstanding anything in the company's constitution, directors are not permitted to carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property unless those proposals have been approved by shareholders in a general meeting;
- (ii) subject to the constitution of each amalgamating company, an amalgamation proposal in accordance with the full amalgamation procedures under the Singapore Companies Act that do not require a court order must be approved by the shareholders of each amalgamating company via special resolution at a general meeting; and
- (iii) notwithstanding anything in the company's constitution, the directors may not, without the prior approval of shareholders, issue shares, including shares being issued in connection with corporate actions.

The Singapore Take-Over Code applies to, among others, corporations with a primary listing of their equity securities in Singapore. While the Singapore Take-Over Code is drafted with, among others, listed public companies in mind, unlisted public companies with more than 50 (fifty) shareholders and net tangible assets of S\$5.0 million or more must also observe the letter and spirit of the general principles and rules of the Singapore Take-Over Code, wherever this is possible and appropriate. The Singapore Take-Over Code does not apply to take-overs or mergers of, among others, other unlisted public companies or private companies. Public companies with a primary listing overseas may apply to the Securities Industry Council of Singapore to waive the application of the Singapore Take-Over Code. In considering such applications, the Securities Industry Council of Singapore would take into account, among others, the following factors: (i) the number of Singapore shareholders and the extent of trading in Singapore; and (ii) the existence of protection available to Singapore shareholders provided under any statute or code regulating take-overs and mergers outside Singapore. As at the date of this Circular, no application has been made to the Securities Industry Council of Singapore to waive the application of the Singapore Take-Over Code in relation to Karooooo.

In this regard, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his or her own or together with parties acting in concert with such person, in 30% (thirty percent) or more of the voting rights in a company or any person holding, either on his or her own or together with parties acting in concert with such person, between 30% (thirty percent) and 50% (fifty percent) (both amounts inclusive) of the voting rights in a company, and if such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% (one percent) of the voting rights in a company in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a mandatory take-over offer for all the remaining voting shares in accordance with the provisions of the Singapore Take-Over Code.



### Distributions and Dividends

Shareholders have a right to participate in the company's profits. A listed company must publish its result every 6 (six) months. The board of directors may then decide to return some of the profits to shareholders. This is done in the form of a dividend and is usually announced with the results. The dividends will be declared in cents per share.

That said a company may not make any proposed distribution to its shareholders unless the distribution: (i) has been authorised by the board of directors by way of adopting a resolution (unless such distribution is pursuant to an existing obligation of the company or a court order); (ii) it reasonably appears that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution; and (iii) the board of the company acknowledges, by way of a resolution, that it has applied the solvency and liquidity test and reasonably concluded that the company will satisfy same immediately after completing the proposed distribution.

For purposes of the solvency and liquidity test, two considerations must be taken into account: (i) whether the assets of the company, fairly valued, are equal to or exceed the liabilities of the company, fairly valued (ii) whether the company will be able to pay its debts as they become due in the ordinary course of business for a period of twelve months after the test is considered.

An important point to note here is that it is the board of directors of a company that must declare a distribution, and not the shareholders. The company's memorandum of incorporation and/or shareholders' agreement can place further requirements on the company in relation to declaring distributions, for example, a distribution must also be approved by a special resolution of the shareholders. This does not, however, change the fact that the distribution must first be proposed by the board of directors and ultimately be declared by the board of directors.

In the event that the board of the company has adopted a resolution, acknowledging that it has applied the solvency and liquidity test and reasonably concluded that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution, then that distribution must be fully carried out. If the distribution has not been completed within 120 (one hundred and twenty) business days after the board adopts such resolution, the board must reconsider the solvency and liquidity test with respect to the remaining distribution to be made.

The Singapore Companies Act provides that no dividends can be paid to shareholders except out of profits.

The Singapore Companies Act does not provide a definition on when profits are deemed to be available for the purpose of paying dividends and this is accordingly governed by case law.

### Shareholder duties towards the Company

Shareholders do not owe any statutory or fiduciary duties to a company and are not liable for a company's acts or omissions.

Subject to the Singapore Companies Act, shareholders do not owe any statutory or fiduciary duties to a company and are not liable for a company's acts or omissions.

### Enforcement Action by Shareholders

#### *Derivative Action*

In terms of section 165 of the Companies Act, a shareholder may bring proceedings in the name of or on behalf of the company to protect the legal interests of the company.

The Singapore Companies Act has a provision which provides a mechanism enabling shareholders to apply to the court for leave to bring a derivative action or commence an arbitration on behalf of the company.

Applications are generally made by shareholders of the company, but courts are given the discretion to allow such persons as they deem proper to apply (e.g., beneficial owner of shares).

It should be noted that this provision of the Singapore Companies Act is primarily used by minority shareholders to bring an action or arbitration in the name and on behalf of the company or intervene in an action or arbitration to which the company is a party for the purpose of prosecuting, defending or discontinuing the action on behalf of the company.

#### *Relief from oppressive conduct*

The Companies Act provides mechanisms for directors or shareholders of a company to apply to court for: (i) orders aimed at to remedying any harm done to said shareholders on the basis of the breach of any provision or violation of any right as contained in the company's memorandum of incorporation; and (ii) in the event of oppressive or unfairly prejudicial conduct, or conduct that unfairly disregards the interest a minority shareholder. Said prejudicial conduct can either be in the form of an act or omission by the company.

The rights of minority shareholders of Singapore companies are protected under Section 216 of the Singapore Companies Act, which gives the Singapore courts a general power to make any order, upon application by any shareholder of a company, as they think fit to remedy any of the following situations:

- (i) the affairs of a company are being conducted or the powers of the board of directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the shareholders, including the applicant; or
- (ii) a company takes an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant.

Singapore courts have a wide discretion as to the remedies they may grant and the remedies listed in the Singapore Companies Act itself are not exclusive. In general, the Singapore courts may:

- (i) direct or prohibit any act or cancel or modify any transaction or resolution;
- (ii) regulate the conduct of the affairs of the company in the future;
- (iii) authorise civil proceedings to be brought in the name of, or on behalf of, the company by a person or persons and on such terms as the court may direct;
- (iv) provide for the purchase of a minority shareholders' shares by the other shareholders or by the company and, in the case of a purchase of shares by the company, a corresponding reduction of its share capital; and
- (v) provide that the company be wound up.

#### *Application to protect rights of security holders*

Under section 161 of the Companies Act a shareholder may apply to court for an order necessary to protect any right or rectify any harm done to it by the company or any of its directors in certain prescribed circumstances.

Please refer to the subsection "*Relief from oppressive conduct*" above.

#### *Claim Damages*

Under section 20 of the Companies Act, a shareholder may bring a claim for damages against any other person who intentionally, fraudulently or due to gross negligence causes the company to do anything which is inconsistent with the provisions of the Companies Act.

There are no equivalent provisions in Singapore under the Singapore Companies Act

However, Section 216A of the Singapore Companies Act allows a complainant (including a minority shareholder) to apply to the Singapore courts for leave to bring an action in a court proceeding or arbitration to which a company is a party or intervene in an action in a court proceeding or arbitration to which a company is a party for the purpose of prosecuting, defending or discontinuing the action or arbitration on behalf of a company.

*Shareholders' Rights to Initiate a Complaint*

Any person, including a shareholder of a company is entitled to file a complaint with the Companies and Intellectual Property Commission or the TRP (as the case may be) for any conduct which is inconsistent with the Companies Act or company's memorandum of incorporation.

There are no equivalent provisions in Singapore under the Singapore Companies Act.

**Dissenters' Rights**

The Companies Act provides for appraisal rights that allow dissenting minority shareholders, in the context of a scheme of arrangement, a merger or a sale of all or a greater part of the assets or undertaking of the target, to require the target company to purchase such dissenting shareholders' shares at the fair market value thereof.

There are no equivalent provisions in Singapore under the Singapore Companies Act.

These appraisal rights are available to dissenting shareholders that have objected to a resolution to approve such a transaction in advance of it being voted on, and that have voted against the resolution.

**Access to Company Records**

In terms of the Companies Act, any person who holds any shares in a company is entitled access to certain information related to that company, including the company's memorandum of incorporation, records of its directors, reports to annual meetings, and annual financial statements and securities registers of the company. While the memorandum of incorporation of a company may provide for additional information rights regarding access to the company's information, this right may be limited in any way.

Every member of a public company has a statutory right to inspect the following:

- (i) the register of members;
- (ii) the register of directors' and chief executive officer's shareholdings;
- (iii) the register of debenture holders, if any;
- (iv) the register of charges, if any; and
- (v) the minutes of the company's general meetings.

**Shareholding Disclosure Obligations**

A listed company must disclose shareholding of more than 5% or more in its annual report and its circulars.

The substantial shareholding notification requirements under the SFA apply to Singapore incorporated companies only where they are listed on the Singapore Exchange Securities Trading Limited.

**Shareholder Rights Available to a Company Under Financial Distress***Winding-up*

South African law allows for the voluntary winding up of a company by way of a special resolution of the shareholders, which can be undertaken by the company or its creditors, or a compulsory winding up by means of an application to court.

The winding up of a company may be done in the following ways:

- (i) members' voluntary winding up;
- (ii) creditors' voluntary winding up;
- (iii) court compulsory winding up; and
- (iv) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company.

*Business Rescue Proceedings*

Section 128(1)(a)(i) of the Companies Act defines the shareholders of a company as "affected persons" in business rescue proceedings of the company. This results in the shareholders being permitted apply to court for an order setting aside a resolution to voluntarily place a company in business rescue on the grounds listed in section 130(1)(a) of the Companies Act. Similarly, in cases where the board of the company has not resolved to place the company under business rescue, the shareholders may bring an application to a competent court in South Africa for an order to place the company under business rescue/ supervision.

There are no equivalent provisions in Singapore under the Singapore Companies Act.

### Board of Directors

The JSE Listings Requirements permit the constitution of listed companies to provide for the nomination of one or more directors by any person who is named in the constitution or determined in terms of the constitution (in line with the Companies Act), provided that any shareholder has the right to nominate directors. Such person so named must not be entitled to appoint or remove any director/s. The memorandum of incorporation of a profit company must provide for the election by shareholders of at least 50% (fifty percent) of the directors and alternate directors of the company.

A public company must have at least 3 (three) directors on the board of directors of such company. There is no prescribed maximum number of directors in the Companies Act. Furthermore, the appointment of all directors shall be subject to shareholder approval at any general/annual general meeting. The appointment of a director, to fill a casual vacancy or as an addition to the board, must be confirmed by shareholders at the company's next annual general meeting.

### Limitation on Personal Liability of Directors

Under section 77(2) of the Companies Act, a director of a company may be held liable: (i) in accordance with the common law principles relating to breach of a fiduciary duty, for any loss, damage or costs sustained by the company as a consequence of any breach by the director of the fiduciary duties as contained in the provisions regulating personal financial interest and the standards of conduct; or (ii) in accordance with the common law principles relating to delict for any loss, damage or costs sustained by the company, as a consequence of any breach by the director of his duty of care, skill and diligence as contained in section 76 (standards of directors conduct), any provisions of the Companies Act or the company's memorandum of incorporation.

In addition, section 77(3) of the Companies Act sets out statutory grounds on which a director may be held personally liable to the company for any loss or damage suffered by the company from the exercise of his functions as director, which grounds include (but are not limited to): (i) acting in the name of the company, signing anything on behalf of the company or purporting to bind the company or authorising the taking of any action by or on behalf of the company despite knowing that he lacked the requisite authority; (ii) acquiescing in the company's carrying on of its business in circumstances of trading recklessly, with gross negligence or the intent to defraud or for fraudulent purposes; (iii) being party to an act or omission by the company despite knowing that it was calculated to defraud creditors, employees or shareholders of the company, or had a fraudulent purpose; and (iv) signing, consenting to or authorising the publication of materially false financial statements or a prospectus or written statement for the public offer of shares that contains an untrue statement or a statement to the effect that a person had consented to be a director of the company, when no such consent had been given despite knowing that the statement was false, misleading or untrue, as the case may be.

Any provision of an agreement, a company's memorandum of incorporation, rules of a company, or a resolution adopted by the company, whether express or implied, is void to the extent that it directly or indirectly purports to relieve a director of a duty contemplated in sections 75, 76 and/or 77 of the Companies Act.

The constitution of companies will typically state the minimum number of directors as well as provide that directors may be appointed or removed via ordinary resolution passed at a general meeting, provided that the number of directors following such appointment or removal is within the minimum (and maximum, if any) number of directors provided in the constitution.

The proposed constitution of Karooooo provides that subject to the Singapore Companies Act, there shall be at least 1 (one) director who is ordinarily resident in Singapore.

Under the proposed constitution of Karooooo, each director is required to retire from office once every three years and for this purpose, at each annual general meeting, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) is required to retire from office by rotation and will be eligible for re-election at that annual general meeting (the directors so to retire being those longest in office). In addition, the directors shall have power at any time to appoint any person to be a director either to fill a casual vacancy or as an additional director but any person so appointed by the directors shall hold office only until the next annual general meeting and shall then be eligible for re-election.

Pursuant to the Singapore Companies Act, any provision exempting or indemnifying a director against any liability for negligence, default, breach of duty or breach of trust in relation to a company will be void. However, a company is not prohibited from: (a) purchasing and maintaining for any director insurance against any such liability incurred by him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company; or (b) indemnifying a director against liability incurred by him or her to a person other than the company except when the indemnity is against any liability (i) of the director to pay a fine in criminal proceedings, (ii) of the director to pay a penalty to a regulatory authority in respect of non-compliance with any requirements of a regulatory nature (howsoever arising), (iii) incurred by the director in defending criminal proceedings in which he or she is convicted, (iv) incurred by the director in defending civil proceedings brought by the company or a related company in which judgment is given against him or her, or (v) incurred by the director in connection with an application for relief under Section 76A(13) or Section 391 of the Singapore Companies Act in which the court refuses to grant him or her relief.

### Removal of Directors

Section 71 of the Companies Act prescribes the removal of directors and provides that a director shall be removed by an ordinary resolution (more than 50% (fifty percent) of the voting rights exercised on the resolution or such higher percentage as determined in the company's memorandum of incorporation) adopted at a shareholders' meeting by the persons entitled to exercise voting rights in an election of that director.

Furthermore, section 71(3) of the Companies Act provides that where a company has more than 2 (two) directors and it is alleged that a director has: become ineligible or disqualified or incapacitated to the extent that he or she is unable to perform the functions of a director, and is unlikely to regain that capacity within a reasonable time, or neglected, or been derelict in the performance of or the functions of director, then the board, other than the director concerned, must determine the matter by resolution and may remove a director deemed to be so ineligible or disqualified, incapacitated, negligent or derelict, as the case may be.

Prior to such resolution(s) being passed, the director concerned must be given notice (at least equivalent to the time which a shareholder is entitled to receive such notice) of the meeting and the resolution (or a copy of the proposed resolution and a statement setting out reasons for the resolution as applicable) and the director must be afforded reasonable opportunity to make a presentation, in person or through a representative, to the meeting, before such resolution is put to a vote.

If the board determines that the director concerned is ineligible or disqualified, incapacitated, negligent or derelict, as the case may be, he or she, or a person who appointed such director, may apply within 20 (twenty) business days to a court to review the determination of the board. If it is determined by the board that the director concerned is not ineligible or disqualified, incapacitated, negligent or derelict, as the case may be, any director who voted otherwise on the resolution, or any holder of voting rights entitled to be exercised in the election of that director, may apply to a court to review the determination. The court may either confirm the determination of the board, or remove the director from office.

According to the Singapore Companies Act, directors of a public company may be removed before expiration of their term of office with or without cause by ordinary resolution (i.e., a resolution requiring the affirmative vote of a simple majority of those shareholders present and voting in person or by proxy). Notice of the intention to move such a resolution has to be given to the company not less than 28 (twenty eight) days before the meeting at which it is moved. The company shall then give notice of such resolution to its shareholders not less than 14 (fourteen) days before the meeting. Where any director removed in this manner was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove such director will not take effect until such director's successor has been appointed.

In addition, the proposed constitution of Karooooo provides that the office of a director shall be vacated in certain events, including if he becomes mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs.

### Indemnification of Officers, Directors and Employees

A company may, in terms of section 78(5) of the Companies Act, indemnify a director in respect of any liability, except for liability arising: from (i) wilful misconduct or wilful breach of trust on the part of the director; (ii) where a fine has been imposed as a consequence of a director having been convicted of an offence; or (iii) where a director acted recklessly, or despite knowing he or she lacked authority, or with the intent to defraud creditors, or with any other fraudulent purpose.

Furthermore, the company may, in terms of section 78(4) of the Companies Act and subject to its memorandum of incorporation, advance expenses to a director to defend litigation in any proceedings arising out of the director's service to the company; and directly or indirectly indemnify a director for the expenses incurred, or to be incurred, for such litigation if such litigation is abandoned, or which exculpates the director, or which arises in respect of any liability for which the company may indemnify the director, as described above.

Further, a company may (subject to its memorandum of incorporation) purchase insurance to protect: (i) a director against liability or expenses for which it is permitted to indemnify a director; and (ii) the company against any liability for which the company is permitted to indemnify a director, or any contingency including any expenses it is permitted to advance in respect of the defending of litigation by a director, or to indemnify a director for such expenses.

Pursuant to the Singapore Companies Act, any provision exempting or indemnifying a director against any liability for negligence, default, breach of duty or breach of trust in relation to a company will be void. However, a company is not prohibited from: (a) purchasing and maintaining for any director insurance against any such liability incurred by him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company; or (b) indemnifying a director against liability incurred by him or her to a person other than the company except when the indemnity is against any liability (i) of the director to pay a fine in criminal proceedings, (ii) of the director to pay a penalty to a regulatory authority in respect of non-compliance with any requirements of a regulatory nature (howsoever arising), (iii) incurred by the director in defending criminal proceedings in which he or she is convicted, (iv) incurred by the director in defending civil proceedings brought by the company or a related company in which judgment is given against him or her, or (v) incurred by the director in connection with an application for relief under Section 76A(13) or Section 391 of the Singapore Companies Act in which the court refuses to grant him or her relief.

Subject to the Singapore Companies Act, a company may provide a director with funds by way of any loan to meet expenditure incurred or to be incurred by him in defending in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company or in connection with an application for relief. Such loan is to be repaid, or (as the case may be) any liability of the company incurred under any transaction connected with the thing done is to be discharged, in the event of (1) the director being convicted in the proceedings; (2) judgment being given against him in the proceedings; or (3) the court refusing to grant him relief on the application. In addition, such loan is to be repaid or discharged not later than 14 days after (A) the date when the conviction becomes final; (B) the date when the judgment becomes final; or (C) the date when the refusal of relief becomes final.

In cases where a director is sued by the company, the Singapore Companies Act gives the court the power to relieve directors either wholly or partially from the consequences of their negligence, default, breach of duty or breach of trust. In order for relief to be obtained, it must be shown that (i) the director acted reasonably and honestly; and (ii) it is fair, having regard to all the circumstances of the case including those connected with such director's appointment, to excuse the director.

However, Singapore case law has indicated that such relief will not be granted to a director who has benefited as a result of his or her breach of trust.

## SINGAPORE EXCHANGE CONTROL, TAX AND OTHER CONSIDERATIONS

The definitions and interpretations commencing on page 21 of this Circular apply, *mutatis mutandis*, to this Annexure

This Annexure sets out some high-level Singaporean exchange control, tax and other considerations relevant to a holder of shares in a Singapore-incorporated and tax resident company. Please note that this annexure does not address all of the considerations or consequences that may be relevant in light of the investor's particular circumstances. Cartrack Shareholders should consult their advisors regarding the Singaporean considerations and consequences of owning and disposing of the Karo0000 Shares in their particular circumstances.

### 1. Singaporean Exchange Controls

As at the date of this Circular, no exchange control restrictions are in effect in Singapore.

### 2. Singaporean Tax Considerations

2.1 The statements made herein regarding taxation are general in nature and based on certain aspects of current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this Circular and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of the Karo0000 Shares or of any person acquiring, selling or otherwise dealing with the Karo0000 Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Karo0000 Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Karo0000 Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

2.2 Cartrack Shareholders are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Karo0000 Shares. The statements below regarding the Singapore tax treatment of dividends received in respect of the Karo0000 Shares are based on the assumption that Karo0000 is tax resident in Singapore for Singapore income tax purposes. It is emphasised that neither Karo0000 nor any other persons involved in this Circular accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Karo0000 Shares.

#### 2.3 Individual Income Tax

2.3.1 An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 (one hundred and eighty three) days or more, or if he resides in Singapore.

2.3.2 Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore ("**Comptroller**") is satisfied that the tax exemption would be beneficial to the individual. A Singapore tax resident individual is taxed at progressive rates ranging from 0% (zero percent) to 22% (twenty two percent).

2.3.3 Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 22% (twenty two percent).

#### 2.4 Corporate Income Tax

2.4.1 A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore.

2.4.2 Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from tax if certain prescribed conditions are met, including the following:

2.4.2.1 such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and

2.4.2.2 at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15% (fifteen percent).



- 2.4.3 Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore (“**IRAS**”) with respect to such conditions.
- 2.4.4 A non-resident corporate taxpayer is subject to income tax on income that is accrued in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.
- 2.4.5 The corporate tax rate in Singapore is currently 17% (seventeen percent). In addition, three-quarters of up to the first S\$10 000 of a company’s annual normal chargeable income, and one-half of up to the next S\$190 000, is exempt from corporate tax from the year of assessment (“**YA**”) 2020 onwards. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate tax rate.
- 2.4.6 New companies will also, subject to certain conditions and exceptions, be eligible for tax exemption on three-quarters of up to the first S\$100 000 of a company’s annual normal chargeable income and one-half of up to the next S\$100 000 a year for each of the company’s first three YAs, from YA 2020 onwards. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate.
- 2.5 *Dividend Distributions*
- 2.5.1 All Singapore-resident companies are currently under the one-tier corporate tax system (“**one-tier system**”).
- 2.5.2 Dividends received in respect of the Karooooo Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax, on the basis that Karooooo is tax resident of Singapore and under the one-tier system.
- 2.5.3 Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore resident company are tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.
- 2.6 *Gains on Disposal of the Karooooo Shares*
- 2.6.1 Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of the Karooooo Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore.
- 2.6.2 Holders of the Karooooo Shares who apply, or who are required to apply, the Singapore Financial Reporting Standard (“**FRS**”) 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) may for the purposes of Singapore income tax be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Karooooo Shares is made.
- 2.6.3 Holders of the Karooooo Shares who may be subject to this tax treatment should consult their accounting and tax advisors regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Karooooo Shares.
- 2.7 *Stamp Duty*
- 2.7.1 There is no stamp duty payable on the subscription for the Karooooo Shares.
- 2.7.2 Where the Karooooo Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of 0.2% (zero point two percent) of the consideration for, or market value of, the Karooooo Shares, whichever is higher.
- 2.7.3 Stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of the Karooooo Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.
- 2.7.4 Pursuant to recent amendments to the Stamp Duties Act, Chapter 312 of Singapore, stamp duty is payable on certain electronic instruments that effect a transfer of interest in Karooooo Shares, where such instruments are regarded or deemed to be executed in Singapore, or executed outside Singapore and received in Singapore. In this regard, an electronic instrument that is executed outside Singapore is received in Singapore if (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.
- 2.7.5 On the basis that any transfer instruments in respect of any interests in the Karooooo Shares (whether traded on NASDAQ or JSE) are executed outside Singapore through the transfer agent(s), share registrar(s) and/or administrative depository agent(s) in the United States and/or South Africa for registration in Karooooo’s share register(s) and/or administrative depository register(s) (including branch register(s) of members) maintained in the United States and/or South Africa respectively, no stamp duty should be payable in Singapore on such transfers to the extent that the instruments of transfer (including electronic instruments) are not received in Singapore.
- 2.8 *Estate Duty*
- Singapore estate duty was abolished with respect to all deaths occurring on or after 15 February 2008.



## 2.9 *Goods and Services Tax (“GST”)*

- 2.9.1 The sale of the Karooooo Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.
- 2.9.2 Where the Karooooo Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0% (zero percent). Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST. Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of the Karooooo Shares.
- 2.9.3 Services consisting of arranging, brokering, underwriting or advising on the issue, allotment or transfer of ownership of the Karooooo Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor’s purchase, sale or holding of the Karooooo Shares will be subject to GST at the standard rate of 7% (seven percent). Similar services rendered by a GST registered person contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to the satisfaction of certain conditions, be subject to GST at 0% (zero percent).

## 3. **Other Considerations Relating to Investments in Singapore Companies**

### 3.1 *Institution of Legal Proceedings*

- 3.1.1 Only persons who are registered as shareholders in a company’s register of members are recognised under Singapore law as shareholders.
- 3.1.2 Only registered shareholders have legal standing to institute shareholder actions against the company or otherwise seek to enforce their rights as shareholders. Investors in ordinary shares who are not specifically registered as shareholders in the register of members are required to be registered as shareholders in the register of members in order to institute or enforce any legal proceedings or claims against a Singapore company, its directors or executive officers relating to shareholder rights. The administrative process of becoming a registered shareholder could result in delays prejudicial to any such legal proceeding or enforcement action.

### 3.2 *Applicable Laws which may differ from the laws of South Africa*

- 3.2.1 A Singapore-incorporated company, is required to comply with the laws of Singapore, certain of which are capable of extra-territorial application, as well as its constitution. In particular, a Singapore incorporated company is required to comply with certain provisions of the SFA, which prohibit certain forms of market conduct and information disclosures, and impose criminal and civil penalties on corporations, directors and officers in respect of any breach of such provisions.
- 3.2.2 The Singapore Take-Over Code specifies, among other things, certain circumstances in which a general offer is to be made upon a change in control of a company, and further specifies the manner and price at which voluntary and mandatory general offers are to be made. The Singapore Take-Over Code applies to, among others, corporations with a primary listing of their equity securities in Singapore. While the Singapore Take-Over Code is drafted with, among others, listed public companies in mind, unlisted public companies with more than 50 (fifty) shareholders and net tangible assets of S\$5.0 million or more, must also observe the letter and spirit of the general principles and rules of the Singapore Take-Over Code, wherever this is possible and appropriate. Public companies with a primary listing overseas may apply to the Securities Industry Council of Singapore (“SIC”) to waive the application of the Singapore Take-Over Code. As at the date of this Circular, no application has been made to SIC to waive the application of the Singapore Take-Over Code in relation to Karooooo. Please see **Annexure I** for further details.
- 3.2.3 The laws of Singapore and of South Africa differ in certain significant respects. The rights of the shareholders of a Singapore-incorporated company and the obligations of such company’s directors and officers under Singapore law may be different from those applicable to a South African-incorporated company, in material respects. Please see **Annexure I** for a discussion of certain differences between Singapore and South Africa corporation law.

### 3.3 *Singapore take-over laws contain provisions that may vary from those in other jurisdictions*

- 3.3.1 The Singapore Take-Over Code contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control of a Singapore-incorporated company.
- 3.3.2 Under the Singapore Take-Over Code, except with the consent of SIC, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30% (thirty percent) or more of the voting shares is required to extend a take-over offer for all remaining voting shares in accordance with the procedural and other requirements under the Singapore Take-Over Code.
- 3.3.3 Except with the consent of SIC, such a take-over offer is also required to be made if a person holding between 30% (thirty percent) and 50% (fifty percent) (both inclusive) of the voting shares, either on his own or together with parties acting in concert with him, acquires additional voting shares representing more than 1% (one percent) of the voting shares in any six-month period. While the Singapore Take-Over Code seeks to ensure an equality of treatment among shareholders in take-over or merger situations, its provisions could substantially impede the ability of the shareholders to benefit from a change of control and, as a result, may adversely affect the market price of the ordinary shares and the ability to realise any benefit from a potential change of control.



**CARTRACK HOLDINGS LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration Number: 2005/036316/06)  
JSE share code: CTK ISIN: ZAE000198305  
("Cartrack" or "Company")

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## NOTICE OF GENERAL MEETING OF CARTRACK SHAREHOLDERS

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If you are in any doubt as to what action you should take in respect of the General Meeting and/or the following resolutions, please consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.

**THE ATTENTION OF CARTRACK SHAREHOLDERS ARE DRAWN TO ANNEXURE C AND ANNEXURE D, AS WELL AS PARAGRAPH 6.7, OF THE CIRCULAR TO WHICH THIS NOTICE OF GENERAL MEETING IS ATTACHED WHICH SETS OUT THE PROVISIONS OF SECTIONS 115 AND 164 OF THE COMPANIES ACT.**

In addition to the definitions contained in this Notice of General Meeting, the definitions and interpretations commencing on page 21 of this Circular to which this Notice of General Meeting is attached apply ("**Notice**"), *mutatis mutandis*, to this Notice of General Meeting and the resolutions proposed hereunder. Terms defined in one proposed resolution, and used in another proposed resolution, shall bear the same defined meanings in both such resolutions.

Cartrack Shareholders are reminded that:

- a Cartrack Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in its stead at the General Meeting in the place of that Cartrack Shareholder, and Cartrack Shareholders are referred to the attached Form of Proxy (*green*) in this regard;
- a proxy need not also be a Cartrack Shareholder; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification to the Chairperson, and the Chairperson must be reasonably satisfied that the right of any person to participate in and vote (whether as a Cartrack Shareholder or as proxy for a Cartrack Shareholder) has been reasonably verified.

### A. NOTICE OF GENERAL MEETING OF CARTRACK SHAREHOLDERS

Notice is hereby given that a General Meeting of Cartrack Shareholders will be held at 10:00 on Wednesday, 17 February 2021, which meeting will be conducted entirely by electronic communication as contemplated by section 63(2)(a) of the Companies Act and clause 20.5 of the Cartrack MOI

### B. PURPOSE

The purpose of the General Meeting is to consider, and, if deemed fit, pass, with or without modification, the resolutions set out hereafter in the manner required by the Companies Act and the JSE Listings Requirements.

### C. WHO MAY ATTEND AND VOTE?

#### **Record Date**

The Cartrack Board determined that, in terms of section 62(3)(a), read with section 59 of the Companies Act, the Voting Record Date, being the date on which Cartrack Shareholders who are entitled to attend and vote at the General Meeting will be determined, will be Friday, 12 February 2021. Accordingly, the last day to trade your Cartrack Shares in order to be recorded in the Register to vote at the General Meeting will Tuesday, 09 February 2021.

#### **Attending yourself or by proxy**

If you hold Dematerialised Shares which are registered in your own-name or if you are the registered holder of Certificated Shares:

- you may attend the General Meeting; or
- alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*green*) in accordance with the instructions contained therein. A proxy need not be a Cartrack Shareholder and shall be entitled to vote on a poll. In light of the COVID-19 pandemic restrictions, it is requested that Forms of Proxy (*green*) (and supporting identification documents) be delivered, in accordance with the instructions contained therein, so as to reach the Transfer Secretaries by no later than 48 (forty eight) hours before the General Meeting that is to be held at 10:00 on Wednesday, 17 February 2021, i.e. by 10:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Cartrack Shareholders and their proxies who wish to participate by electronic communication at the General Meeting. The Form of Proxy (*green*) may be lodged in respect of the General Meeting immediately prior to the commencement of the General Meeting, in accordance with the instructions therein, by emailing those Forms of Proxy (*green*) to the Transfer Secretaries. However, please bear in mind that the reason why Cartrack Shareholders are asked to send in their Forms of Proxy (*green*) before the General Meeting is because Cartrack has over 1400 (one thousand four hundred) Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the General Meeting, if these checks have to be carried out by the scrutineers while the General Meeting is in progress.

The attached Form of Proxy (*green*) is only to be completed by those Cartrack Shareholders who:

- hold Cartrack Shares in certificated form; or
- are recorded on the Uncertificated Securities Register in “*own-name*” dematerialised form.

If you hold Dematerialised Shares which are not registered in your name:

- and wish to attend the General Meeting, you must obtain the necessary Letter of Representation from your CSDP or Broker to attend the General Meeting yourself or by proxy and vote;
- and do not wish to attend the General Meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or Broker and furnish them with your voting instructions in terms of the relevant custody agreement entered into between you and your CSDP or Broker; and
- you must not complete the attached Form of Proxy (*green*).

In light of the COVID-19 pandemic restrictions, it is requested that the necessary letter of representation (and supporting identification documents) of Dematerialised Shareholders without “own-name” registration be delivered so as to reach the Transfer Secretaries at by no later than 10:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of such Shareholders who wish to participate by electronic communication at the General Meeting.

Dematerialised Shareholders without “own-name” registration are strongly urged to ensure the timeous receipt by the Transfer Secretaries of the above documents, as well as the necessary identification documents as, due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify a Dematerialised Shareholder without “own-name” registration once the General Meeting has commenced.

#### **Electronic Participation and Identification**

In light of the restrictions on public gatherings pursuant to the regulations issued in terms of section 27(2) of the DMA arising from the COVID-19 pandemic, and in accordance with the provisions of the Companies Act and the Cartrack MOI, the General Meeting will be conducted entirely through electronic communication. The electronic meeting facilities will permit all participants to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to General Members to vote their Cartrack Shares at the General Meeting.

See prescribed procedures set forth in the Circular under the title: “*Electronic Participation at the General Meeting*”.

#### **Voting**

As the meeting will cater for electronic participation only it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, all resolutions put to the vote shall be decided by way of a poll. Every Cartrack Shareholder participating at the General Meeting or represented by proxy at the General Meeting shall on a poll have that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Cartrack Shares held by that Cartrack Shareholder bears to the aggregate of the nominal value of all the Cartrack Shares issued by the Company.

#### **D. CONDITIONS OF THE RESOLUTIONS**

The proposal of the special and ordinary resolutions set out in this Notice of General Meeting for consideration and vote at the General Meeting are not subject to or inter-conditional on the Proposed Transaction becoming unconditional and being implemented in accordance with its terms and conditions.

#### **SPECIAL RESOLUTION 1 – APPROVAL OF THE SPECIFIC REPURCHASE IN TERMS OF THE JSE LISTINGS REQUIREMENTS**

“**Resolved that** by way of specific authority in terms of the JSE Listings Requirements that Cartrack, be and is hereby authorised to acquire the Cartrack Trust Shares from the Cartrack Trust for the Specific Repurchase Consideration, which constitutes a specific repurchase in terms of the JSE Listings Requirements.”

#### **Voting Requirement**

In terms of paragraph 5.69(b) of the JSE Listings Requirements, the specific repurchase of shares requires the approval of Cartrack Shareholders by way of a special resolution achieving a 75% (seventy five percent) majority of votes cast in favour thereof by all Cartrack Shareholders present or represented by proxy at the Scheme meeting, excluding participants in the specific repurchase and their Associates. Accordingly, in terms of paragraph 5.69(b) of the JSE Listings Requirements, the votes of the Cartrack Trust will be excluded in determining the number of votes in support of Special Resolution Number 1.

#### **Explanatory Note**

Special Resolution Number 1 is required to be approved in terms of Paragraph 5.69 of the JSE Listings Requirements and the Cartrack MOI. The effect of Special Resolution Number 1 is that the Company will repurchase the Cartrack Trust Shares from the Cartrack Trust. The Cartrack Trust Shares, once repurchased, will be cancelled as issued share capital and restored to the status of authorised, but unissued, share capital of the Company and will subsequently be delisted.

Cartrack Shareholders are referred to the Circular for relevant disclosure relating to the Specific Repurchase in terms of the JSE Listings Requirements.

## **ORDINARY RESOLUTION NUMBER 1 – AUTHORISATION OF DIRECTORS OF THE COMPANY**

“**Resolved that** any one director of the Company or the Company Secretary be and are hereby authorised to do all things, sign all documents and take all such actions as required and generally do anything necessary or desirable to give effect to and implement Special Resolution Number 1 set out above and all such actions taken prior hereto be and is hereby ratified and approved.”

### **Voting Requirement**

In order for Ordinary Resolution Number 1 to be passed the support of more than 50% (fifty percent) of all of the voting rights exercised on the resolution by the Cartrack Shareholders (eligible to vote) participating at the General Meeting or represented by proxy at the General Meeting.

### **QUORUM**

A matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present at the meeting (or represented by proxy) to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least 3 (three) Cartrack Shareholders present or represented by and entitled to vote at the General Meeting on matters to be decided by Cartrack Shareholders.

By order of the Cartrack Board

Annamè de Villiers  
*Company Secretary*

19 January 2021



**CARTRACK HOLDINGS LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration Number: 2005/036316/06)  
JSE share code: CTK ISIN: ZAE000198305  
("Cartrack" or "Company")

## FORM OF PROXY FOR THE GENERAL MEETING

The definitions and interpretations commencing on page 21 of this Circular to which this Form of Proxy is attached apply, *mutatis mutandis*, to this Form of Proxy.

**This Form of Proxy is for the use by Cartrack Shareholders who hold Certificated Shares or who are registered as "own name" in dematerialised form only. Cartrack Shareholders who have dematerialised their Shares, other than with "own name" registration, are requested to refer to the "Action Required by Cartrack Shareholders" section of this Circular to which this Form of Proxy is attached for a full understanding of the action required by them.**

For use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only, at the General Meeting to be held entirely by electronic communication on Wednesday, 17 February 2021, commencing at 10:00 (South African Standard Time), or at any postponement or adjournment thereof.

A Cartrack Shareholder (including Certificated Shareholders and Dematerialised Shareholders who hold their Shares with "own name" registration) entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, vote and speak in his/her/its stead at the General Meeting. A proxy need not be a shareholder of Cartrack.

I/We \_\_\_\_\_ (names in BLOCK LETTERS)

of \_\_\_\_\_  
(address in BLOCK LETTERS)

Telephone number: ( ) \_\_\_\_\_ Cell phone number: ( ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

being a shareholder(s) of Cartrack, and entitled to vote

do hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

or failing him/her the Chairperson of the General Meeting, as my/our proxy to represent me/us at the General Meeting, for the purposes of considering and, if deemed fit, passing, with or without modification, the General Resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the General Resolutions and/or abstain from voting in respect of the shares in the issued share capital of Cartrack registered in my/our name (see note 2 overleaf) as follows:

	Number of voting rights (insert):		
	For	Against	Abstain
<b>SPECIAL RESOLUTION 1</b> <i>Approval of the Specific Repurchase in terms of the JSE Listings Requirements and Cartrack MOI</i>			
<b>ORDINARY RESOLUTION 1</b> <i>Authorisation of directors the Company</i>			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

**Please read the notes on the reverse side hereof.**

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2021

Full name \_\_\_\_\_ in BLOCK LETTERS)

Signature(s) \_\_\_\_\_

Assisted by (guardian) \_\_\_\_\_

Date \_\_\_\_\_

If signing in a representative capacity, see note below.

**Notes to the Form of Proxy:**

1. Cartrack Shareholders are advised that Cartrack has appointed Computershare Investor Services Proprietary Limited as its proxy solicitation agent.
2. Proxy appointment must be in writing, dated and signed by the Cartrack Shareholder.
3. It is requested that completed Forms of Proxy (and supporting identification documents) be delivered or mailed to Computershare Investor Services Proprietary Limited:

**Hand deliveries to:**

Computershare Investor Services Proprietary Limited,  
1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank,  
Johannesburg 2196, South Africa

**Email:** proxy@computershare.co.za

**Postal delivers to:**

Computershare Investor Services Proprietary Limited,  
Private Bag X9000, Saxonwold, 2132

so as to reach Computershare Investor Services Proprietary Limited by no later than 48 (forty eight) hours before the General Meeting that is to be held at 10:00 on Wednesday, 17 February 2021, i.e. by 10:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Cartrack Shareholders and their proxies who wish to participate by electronic communication at the General Meeting. The Form of Proxy may be lodged in respect of the General Meeting immediately prior to the commencement of the General Meeting, in accordance with the instructions therein, by emailing those Forms of Proxy to Computershare Investor Services Proprietary Limited at proxy@computershare.co.za. However please bear in mind that the reason why Cartrack Shareholders are asked to send in their proxy forms before the General Meeting is because Cartrack has over 1400 (one thousand four hundred) Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the General Meeting, if these checks have to be carried out by the scrutineers while the General Meeting is in progress.

4. A Cartrack Shareholder may insert the name of a proxy or the names of 2 (two) alternative proxies of the Cartrack Shareholder's choice in the space provided, with or without deleting "the chairman of the meeting". Any such deletion must be initialled by the Cartrack Shareholder.
5. A Cartrack Shareholder's instruction to the proxy must be indicated by the insertion of the relevant percentage of voting rights exercisable by that Cartrack Shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as he deems fit, in respect of all the holder's voting rights exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
6. A Cartrack Shareholder or his proxy is not obliged to use all the voting rights exercisable by the Cartrack Shareholder or by his proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the Cartrack Shareholder or by his proxy.
7. A Cartrack Shareholder's authorisation to the proxy, including the chairman of the meeting, to vote on his or her behalf, shall be deemed to include the General Meeting.
8. The completion and electronic delivery of this Form of Proxy will not preclude the relevant Cartrack Shareholder from attending the General Meeting and speaking and voting personally thereat and the exclusion of any proxy appointed in terms hereof should such Cartrack Shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this form. Without limiting the generality hereof, Cartrack will accept a valid identity document, a valid driver's licence or a valid passport as satisfactory identification.
10. Any alteration to this form must be initialled by the signatory(ies).
11. A Cartrack Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) electronically delivering a copy of the revocation instrument to the proxy/ies to Cartrack at anname.devilliers@cartrack.com, to be received before the replacement proxy exercises any rights of the holder at the General Meeting of Cartrack to be held entirely by electronic communication at 10:00 on Wednesday, 17 February 2021 or any adjournment(s) thereof.
12. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/proxies' authority to act on behalf of the Cartrack Shareholder as of the later of: (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered as required in paragraph 11 (ii).

**To be electronically delivered to:**

**Computershare Investor Services Proprietary Limited**  
proxy@computershare.co.za

**Shareholder information helpline**

For assistance with the General Meeting queries and forms of proxy:

Telephone: +27(0)11 373 0033

Telefax: +27(0)11 688 5238

Email: proxy@computershare.co.za



**CARTRACK HOLDINGS LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration Number: 2005/036316/06)  
JSE share code: CTK ISIN: ZAE000198305  
("Cartrack" or "Company")

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## NOTICE OF SCHEME MEETING OF ELIGIBLE CARTRACK SHAREHOLDERS

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If you are in any doubt as to what action you should take in respect of the Scheme Meeting and/or the following resolutions, please consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.

**THE ATTENTION OF ELIGIBLE CARTRACK SHAREHOLDERS ARE DRAWN TO ANNEXURE B AND ANNEXURE C, AS WELL AS PARAGRAPH 6.7 OF THE CIRCULAR TO WHICH THIS NOTICE OF SCHEME MEETING IS ATTACHED WHICH SETS OUT THE PROVISIONS OF SECTIONS 115 AND 164 OF THE COMPANIES ACT.**

In addition to the definitions contained in this Notice of Scheme Meeting, the definitions and interpretations commencing on page 21 of this Circular to which this Notice of Scheme Meeting is attached apply ("**Notice**"), *mutatis mutandis*, to this Notice of Scheme Meeting and the resolutions proposed hereunder. Terms defined in one proposed resolution, and used in another proposed resolution, shall bear the same defined meanings in both such resolutions.

**Eligible Cartrack Shareholders are reminded that:**

- an Eligible Cartrack Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint one or more proxies to attend, speak and vote in its stead at the Scheme Meeting in the place of that Eligible Cartrack Shareholder, and Eligible Cartrack Shareholders are referred to the attached Form of Proxy (*blue*) in this regard;
- a proxy need not also be an Eligible Cartrack Shareholder; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification to the Chairperson, and the Chairperson must be reasonably satisfied that the right of any person to participate in and vote (whether as an Eligible Cartrack Shareholder or as proxy for an Eligible Cartrack Shareholder) has been reasonably verified.

### A. NOTICE OF SCHEME MEETING OF ELIGIBLE CARTRACK SHAREHOLDERS

Notice is hereby given that a Scheme Meeting of Eligible Cartrack Shareholders will be held at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting), which meeting will be conducted entirely by electronic communication as contemplated by section 63(2)(a) of the Companies Act and clause 20.5 of the Cartrack MOI

### B. PURPOSE

The purpose of the Scheme Meeting is to consider, and, if deemed fit, pass, with or without modification, the resolutions set out hereafter in the manner required by the Companies Act and the JSE Listings Requirements.

### C. WHO MAY ATTEND AND VOTE?

#### **Record Date**

The Cartrack Board determined that, in terms of section 62(3)(a), read with section 59 of the Companies Act, the Voting Record Date, being the date on which Eligible Cartrack Shareholders who are entitled to attend and vote at the Scheme Meeting will be determined, will be Friday, 12 February 2021. Accordingly, the last day to trade your Cartrack Shares in order to be recorded in the Register to vote at the Scheme Meeting will be Tuesday, 09 February 2021.

#### **Attending yourself or by proxy**

If you hold Dematerialised Shares which are registered in your own-name or if you are the registered holder of Certificated Shares:

- you may attend the Scheme Meeting; or
- alternatively, you may appoint a proxy to represent you at the Scheme Meeting by completing the attached Form of Proxy (*blue*) in accordance with the instructions contained therein. A proxy need not be an Eligible Cartrack Shareholder and shall be entitled to vote on a poll. In light of the COVID-19 pandemic restrictions, it is requested that Forms of Proxy (*blue*) (and supporting identification documents) be delivered, in accordance with the instructions contained therein, so as to reach the Transfer Secretaries in South Africa by no later than 48 (forty eight) hours before the Scheme Meeting that is to be held at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting), i.e. by 11:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Eligible Cartrack Shareholders and their proxies who wish to participate by electronic communication at the Scheme Meeting. The Form of Proxy (*blue*) may be lodged in respect of the Scheme Meeting immediately prior to the due commencement of the Scheme Meeting, in accordance with the instructions therein, by emailing those Forms of Proxy to the Transfer Secretaries. However, please bear in mind that the reason why Eligible Cartrack Shareholders are asked to send in their Forms of Proxy (*blue*) before the Scheme Meeting is because Cartrack has over 1400 (one thousand four hundred) Eligible Cartrack Shareholders and

the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the Scheme Meeting, if these checks have to be carried out by the scrutineers while the Scheme Meeting is in progress.

The attached Form of Proxy (*blue*) is only to be completed by those Eligible Cartrack Shareholders who:

- hold Cartrack Shares in certificated form; or
- are recorded on the Uncertificated Securities Register in “*own-name*” dematerialised form.

If you hold Dematerialised Shares which are not registered in your name:

- and wish to attend the Scheme Meeting, you must obtain the necessary Letter of Representation from your CSDP or Broker to attend the Scheme Meeting yourself or by proxy and vote;
- and do not wish to attend the Scheme Meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or Broker and furnish them with your voting instructions in terms of the relevant custody agreement entered into between you and your CSDP or Broker; and
- you must not complete the attached Form of Proxy (*blue*).

In light of the COVID-19 pandemic restrictions, it is requested that the necessary letter of representation (and supporting identification documents) of Dematerialised Eligible Shareholders without “*own-name*” registration be delivered so as to reach the Transfer Secretaries by no later than 11:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of such Shareholders who wish to participate by electronic communication at the Scheme Meeting.

Dematerialised Eligible Shareholders without “*own-name*” registration are strongly urged to ensure the timeous receipt by the Transfer Secretaries of the above documents, as well as the necessary identification documents as, due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify a Dematerialised Eligible Shareholder without “*own-name*” registration once the Scheme Meeting has commenced.

#### ***Electronic Participation and Identification***

In light of the restrictions on public gatherings pursuant to the regulations issued in terms of section 27(2) of the DMA arising from the COVID-19 pandemic, and in accordance with the provisions of the Companies Act and the Cartrack MOI, the Scheme Meeting will be conducted entirely through electronic communication. The electronic meeting facilities will permit all participants to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to Scheme Members to vote their Cartrack Shares at the Scheme Meeting.

See prescribed procedures set forth in the Circular under the title: “*Electronic Participation at the Scheme Meeting*”.

#### ***Voting***

As the meeting will cater for electronic participation only it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, all resolutions put to the vote shall be decided by way of a poll. Every Scheme Member participating at the Scheme Meeting or represented by proxy at the Scheme Meeting shall on a poll have that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Cartrack Shares held by that Scheme Member bears to the aggregate of the nominal value of all the Cartrack Shares issued by the Company.

For the sake of clarity, Karooooo and Calisto shall not vote on any special and ordinary resolutions set out herein.

#### **D. CONDITIONS OF RESOLUTIONS**

The proposal of and the special and ordinary resolutions set out in this Notice of Scheme Meeting for consideration and vote at the Scheme Meeting is subject to the **condition** that if, before it is voted on at the Scheme Meeting, the Company receives any written notice from any Eligible Cartrack Shareholder/s in terms of section 164(3) of the Companies Act objecting to Special Resolution 1 below, then the chairperson of the Scheme Meeting **may** close the Scheme Meeting without putting this Special Resolution to the vote.

In addition, all of the special and ordinary resolutions set out in this Notice of Scheme Meeting are inter-conditional, on all of the special and ordinary resolutions being passed. Accordingly, the failure to pass any one of the said special and ordinary resolutions shall cause each of the other inter-conditional resolutions to fail, notwithstanding that the particular resolution/s may have been passed by the requisite majority of Cartrack Shareholders.

#### **SPECIAL RESOLUTION 1 – APPROVAL OF THE SCHEME IN TERMS OF SECTIONS 114(1) AND 115 OF THE COMPANIES ACT**

“**Resolved that** the Scheme (as more fully described in paragraph 6 above of the Circular to which this notice convening the Scheme Meeting is attached), in terms of which Karooooo, will, subject to the fulfillment (or, where appropriate, waiver) of the Conditions Precedent (save for any Condition Precedent relating to the passing of this special resolution), and on the Scheme Operative Date, acquire 100% (one hundred percent) of the Scheme Shares, for the Scheme Consideration, be and is hereby approved as a special resolution in terms of sections 114(1) and 115(2)(a) of the Companies Act.”



### **Voting Requirement**

In order for Special Resolution Number 1 to be passed the support of at least 75% (seventy five percent) of all of the voting rights exercised on the resolution by the Scheme Members (eligible to vote) present or represented by proxy at the Scheme Meeting, excluding an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them (as contemplated in section 115(4) of the Companies Act).

In accordance with, *inter alia*, section 115(4) of the Companies Act, the voting rights of Karooooo and Calisto are excluded for purposes of both determining whether the applicable quorum requirements are satisfied and voting on this resolution Special Resolution Number 1.

### **Explanatory Note**

Special Resolution Number 1 is required to approve the Scheme by the requisite percentage of voting rights pursuant to which Karooooo will acquire 100% (one hundred percent) of the Scheme Shares from the Scheme Participants (whether they voted in favour of this Special Resolution Number 1 or not, or abstained or refrained from voting) and the Scheme Shares will be subsequently delisted.

### **SPECIAL RESOLUTION 2 – REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF SCHEME DOES NOT BECOME UNCONDITIONAL, IS NOT CONTINUED AND DISSENTING SHAREHOLDERS HAVE EXERCISED APPRAISAL RIGHTS UNDER SECTION 164 OF THE COMPANIES ACT**

“**Resolved that**, subject to and in the event of –

- (i) Special Resolution Number 1 being approved by the Shareholders;
- (ii) the Scheme not becoming unconditional for whatever reason;
- (iii) the Company and/or Karooooo making an announcement on SENS to the effect that the Scheme shall not be continued or pursued any further, made unconditional or revived; and
- (iv) any Dissenting Shareholders of Cartrack having exercised their Appraisal Rights under section 164 of the Companies Act,

Special Resolution Number 1 is revoked with effect from the date of the announcement contemplated in (iii) above, as contemplated in section 164(9)(c) of the Companies Act.”

Special Resolution Number 2 will only be put to Scheme Members to vote on if Cartrack receives written notice from any Eligible Cartrack Shareholder objecting to the Scheme in terms of section 164(3) of the Companies Act.

### **Voting Requirement**

In order for Special Resolution Number 2 to be passed the support of at least 75% (seventy five percent) of all of the voting rights exercised on the resolution by the Scheme Members (eligible to vote) present in person or represented by proxy at the Scheme Meeting, excluding an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them (as contemplated in section 115(4) of the Companies Act).

In accordance with, *inter alia*, section 115(4) of the Companies Act, the voting rights of Karooooo and Calisto are excluded for purposes of both determining whether the applicable quorum requirements are satisfied and voting on this resolution Special Resolution Number 2.

### **Explanatory Note**

Special Resolution Number 2 is required because the Scheme will not be given effect to in the circumstances contemplated above.

### **ORDINARY RESOLUTION NUMBER 1 – AUTHORISATION OF DIRECTORS OF THE COMPANY**

“**Resolved that** any one director of the Company or the Company Secretary be and are hereby authorised to do all things, sign all documents and take all such actions as required and generally do anything necessary or desirable to give effect to and implement Special Resolution Number 1 and Special Resolution Number 2 set out above and all such actions taken prior hereto be and is hereby ratified and approved.”

### **Voting Requirement**

In order for Ordinary Resolution Number 1 to be passed the support of more than 50% (fifty percent) of all of the voting rights exercised on the resolution by the Scheme Members (eligible to vote) participating at the Scheme Meeting or represented by proxy at the Scheme Meeting.

In accordance with, *inter alia*, section 115(4) of the Companies Act, the voting rights of Karooooo and Calisto are excluded for purposes of both determining whether the applicable quorum requirements are satisfied and voting on this resolution Ordinary Resolution Number 1.

### **E. QUORUM**

A matter to be decided at the Scheme Meeting may not begin to be considered unless sufficient persons are present at the meeting (or represented by proxy) to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least 3 (three) Scheme Members present or represented by and entitled to vote at the Scheme Meeting on matters to be decided by the Scheme Members.

F. **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice of Scheme Meeting is voted on, a Scheme Member may give the Company a written notice objecting to the Special Resolutions.

A Scheme Member may demand that the Company pay the Cartrack Shareholder the fair value for all of the Cartrack Shares held by that person if:

- the Scheme Member has sent the Company a notice of objection in terms of section 164(3) of the Companies Act;
- the Company has adopted Special Resolution Number 1; and
- the Scheme Member voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

Scheme Members are referred to paragraphs 19 and 6.7 of the Circular to which this Notice is attached for more information regarding Appraisal Rights. A copy of section 164 of the Companies Act is set out in **Annexure C** to the Circular to which this notice is attached.

By order of the Cartrack Board

Annamè de Villiers  
*Company Secretary*

19 January 2021



**CARTRACK HOLDINGS LIMITED**  
 (Incorporated in the Republic of South Africa)  
 (Registration Number: 2005/036316/06)  
 JSE share code: CTK ISIN: ZAE000198305  
 ("Cartrack" or "Company")

## FORM OF PROXY FOR THE SCHEME MEETING

The definitions and interpretations commencing on page 21 of this Circular to which this Form of Proxy is attached apply, *mutatis mutandis*, to this Form of Proxy.

**This Form of Proxy is for the use by Eligible Cartrack Shareholders who hold Certificated Shares or who are registered as "own name" in dematerialised form only. Eligible Cartrack Shareholders who have dematerialised their Cartrack Shares, other than with "own name" registration, are requested to refer to the "Action Required by Cartrack Shareholders" section of this Circular to which this Form of Proxy is attached for a full understanding of the action required by them.**

For use by Certificated Eligible Shareholders and Dematerialised Eligible Shareholders with "own name" registration only, at the Scheme Meeting to be held entirely by electronic communication on Wednesday, 17 February 2021, commencing at 11:00 (South African Standard Time) (or immediately after the conclusion or adjournment of the General Meeting), or at any postponement or adjournment thereof.

An Eligible Cartrack Shareholder (including Certificated Eligible Shareholders and Dematerialised Shareholders who hold their Shares with "own name" registration) entitled to attend and vote at the Scheme Meeting may appoint one or more proxies to attend, vote and speak in his/her/its stead at the Scheme Meeting. A proxy need not be a shareholder of Cartrack.

I/We \_\_\_\_\_ (names in BLOCK LETTERS)

of \_\_\_\_\_  
 (address in BLOCK LETTERS)

Telephone number: ( ) \_\_\_\_\_ Cell phone number: ( ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

being a shareholder(s) of Cartrack, and entitled to vote

do hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

or failing him/her the Chairperson of the Scheme Meeting, as my/our proxy to represent me/us at the Scheme Meeting, for the purposes of considering and, if deemed fit, passing, with or without modification, the Scheme Resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the Scheme Resolutions and/or abstain from voting in respect of the shares in the issued share capital of Cartrack registered in my/our name (see note 2 overleaf) as follows:

	Number of voting rights (insert):		
	For	Against	Abstain
<b>SPECIAL RESOLUTION 1</b> <i>Approval of the Scheme in terms of sections 114(1) and 115(2)(a) of the Companies Act</i>			
<b>SPECIAL RESOLUTION 2</b> <i>Revocation of special resolution number 1 if scheme does not become unconditional, is not continued and dissenting shareholders have exercised appraisal rights under section 164 of the companies act</i>			
<b>ORDINARY RESOLUTION 1</b> <i>Authorisation of directors the Company</i>			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

**Please read the notes on the reverse side hereof.**

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2021

Full name \_\_\_\_\_ in BLOCK LETTERS)

Signature(s) \_\_\_\_\_

Assisted by (guardian) \_\_\_\_\_

Date \_\_\_\_\_

If signing in a representative capacity, see note below.

## Notes to the Form of Proxy:

1. Eligible Cartrack Shareholders are advised that Cartrack has appointed Computershare Investor Services Proprietary Limited as its proxy solicitation agent.
2. Proxy appointment must be in writing, dated and signed by the Eligible Cartrack Shareholder.
3. It is requested that Forms of Proxy (and supporting identification documents) be delivered or mailed to Computershare Investor Services Proprietary Limited:

### Hand deliveries to:

Computershare Investor Services Proprietary Limited,  
1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank,  
Johannesburg 2196, South Africa

**Email:** proxy@computershare.co.za

### Postal delivers to:

Computershare Investor Services Proprietary Limited,  
Private Bag X9000, Saxonwold, 2132

so as to reach Computershare Investor Services Proprietary Limited by no later than 48 (forty eight) hours before the Scheme Meeting that is to be held at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting), i.e. by 11:00 on Monday, 15 February 2021, so as to assist Cartrack to timeously verify the identity of the Eligible Cartrack Shareholders and their proxies who wish to participate by electronic communication at the Scheme Meeting. The Form of Proxy may be lodged in respect of the Scheme Meeting immediately prior to the due commencement of the Scheme Meeting, in accordance with the instructions therein, by emailing those Forms of Proxy to Computershare Investor Services Proprietary Limited at proxy@computershare.co.za. However please bear in mind that the reason why Eligible Cartrack Shareholders are asked to send in their proxy forms before the Scheme Meeting is because Cartrack has over 1400 (one thousand four hundred) Eligible Cartrack Shareholders and the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the Scheme Meeting, if these checks have to be carried out by the scrutineers while the Scheme Meeting is in progress.

4. An Eligible Cartrack Shareholder may insert the name of a proxy or the names of 2 (two) alternative proxies of the Eligible Cartrack Shareholder's choice in the space provided, with or without deleting "the chairman of the meeting". Any such deletion must be initialled by the Eligible Cartrack Shareholder.
5. An Eligible Cartrack Shareholder's instruction to the proxy must be indicated by the insertion of the relevant percentage of voting rights exercisable by that Eligible Cartrack Shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as he deems fit, in respect of all the holder's voting rights exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
6. An Eligible Cartrack Shareholder or his proxy is not obliged to use all the voting rights exercisable by the Eligible Cartrack Shareholder or by his proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the Eligible Cartrack Shareholder or by his proxy.
7. An Eligible Cartrack Shareholder's authorisation to the proxy, including the chairman of the meeting, to vote on his or her behalf, shall be deemed to include the authority to vote on procedural matters at the Scheme Meeting. The completion and electronic delivery of this Form of Proxy will not preclude the relevant Eligible Cartrack Shareholder from attending the Scheme Meeting and speaking and voting personally thereat and the exclusion of any proxy appointed in terms hereof should such Eligible Cartrack Shareholder wish to do so.
8. The completion and electronic delivery of this Form of Proxy will not preclude the relevant Eligible Cartrack Shareholder from attending the Scheme Meeting and speaking and voting personally thereat and the exclusion of any proxy appointed in terms hereof should such Eligible Cartrack Shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this form. Without limiting the generality hereof, Cartrack will accept a valid identity document, a valid driver's licence or a valid passport as satisfactory identification.
10. Any alteration to this form must be initialled by the signatory(ies).
11. An Eligible Cartrack Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) electronically delivering a copy of the revocation instrument to the proxy/ies to Cartrack at anname.devilliers@cartrack.com, to be received before the replacement proxy exercises any rights of the holder at the Scheme Meeting of Cartrack to be held entirely by electronic communication at 11:00 on Wednesday, 17 February 2021 (or immediately after the conclusion or adjournment of the General Meeting) or any adjournment(s) thereof.
12. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/proxies' authority to act on behalf of the Eligible Cartrack Shareholder as of the later of: (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered as required in paragraph 11 (ii).

### To be electronically delivered to:

**Computershare Investor Services Proprietary Limited**  
proxy@computershare.co.za

### Shareholder information helpline

For assistance with Scheme Meeting queries and forms of proxy:

Telephone: +27(0)11 373 0033

Telefax: +27(0)11 688 5238

Email: proxy@computershare.co.za



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## FORM OF SURRENDER AND TRANSFER IN RESPECT OF SCHEME

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### FOR USE BY CERTIFICATED ELIGIBLE SHAREHOLDERS ONLY IN TERMS OF THE SCHEME

The definitions and interpretations commencing on page 21 of this Circular to which this Form of Surrender and Transfer is attached apply, *mutatis mutandis*, unless otherwise provided.

#### INSTRUCTIONS:

#### DEMATERIALIZED ELIGIBLE SHAREHOLDERS MUST NOT COMPLETE THIS FORM OF SURRENDER AND TRANSFER

1. This form is only for use in respect of the scheme of arrangement in terms of section 114 of the Companies Act, proposed by the Cartrack Board between Cartrack and Eligible Cartrack Shareholders (the "Scheme").
2. Full details of the Scheme are contained in the Circular to Cartrack Shareholders, dated Tuesday, 19 January 2021, to which Circular this form is attached and forms part. Accordingly, all definitions and terms used in this form shall, unless the context otherwise requires, have the corresponding meaning and interpretation attributed in such Circular.
3. This form is attached for the convenience of Certificated Eligible Shareholders who may wish to surrender their Documents of Title prior to or post the date of the Scheme Meeting to be held entirely by electronic communication on Wednesday, 17 February 2021.
4. The Form of Surrender and Transfer is for use only by Certificated Eligible Shareholders recorded in the Register on the Scheme Consideration Record Date.
5. A separate Form of Surrender and Transfer is required for each Certificated Eligible Shareholder.
6. **Part A** and **Part C** must be completed by all Certificated Eligible Shareholders who return this form.
7. **Part B** must be completed by all Certificated Eligible Shareholders who are emigrants from the Common Monetary Area.
8. If this Form of Surrender and Transfer is submitted together with the relevant Document(s) of Title of the Certificated Shares prior to the Scheme Operative Date, it will be treated as a conditional surrender which is made subject to the Scheme becoming unconditional, details of which are set out in the Circular to which this form is attached and forms part of. In the event of the Scheme not becoming unconditional and is not implemented for any reason whatsoever, the Transfer Secretaries shall, by not later than 5 (five) Business Days of either the date upon which it becomes known that the Scheme will not be implemented or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to the Certificated Eligible Shareholders concerned, by registered post, at the risk of such Certificated Eligible Shareholders.
9. Persons who have acquired Certificated Shares after the date of the issue of the Circular to which this Form of Surrender and Transfer is attached can obtain copies of the Form of Surrender and Transfer and the Circular from the Company's website ([www.cartrack.co.za](http://www.cartrack.co.za)).
10. If a Scheme Participant fails to surrender its Documents of Title by not completing and returning the Form of Surrender and Transfer as aforesaid, or, if in the Form of Surrender and Transfer, the Scheme Participant fails to provide any account details, or provides incorrect account details, of that Scheme Participant's CSDP or Broker, into which that Scheme Participant's Scheme Consideration will be transferred in Dematerialised form, that Scheme Participant's Scheme Consideration will be held in trust by the Company (or any third party nominated by it for this purpose) for the benefit of the Scheme Participant concerned for a maximum period of 3 (three) years, after which period such funds shall be made over to the Guardian's Fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by the Company (or its nominee).

Please also read the notes contained at the end of this form.

To: **Computershare Investor Services Proprietary Limited**  
**Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196**  
**(Private Bag X9000, Saxonwold, 2132)**

Dear Sirs

**PART A: TO BE COMPLETED BY ALL SCHEME PARTICIPANTS HOLDING CERTIFICATED SHARES WHO ARE RECORDED IN THE REGISTER ON THE SCHEME CONSIDERATION RECORD DATE AND WHO RETURN THIS FORM**

I/We hereby surrender the Cartrack share certificate/s and/or other Documents of Title attached hereto, representing the Scheme Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the Scheme becoming operative, to register the transfer of these Scheme Shares into the name of Cartrack or its nominee(s):

Name of Shareholder	Certificate number(s)	Number of Scheme Shares covered by each certificate(s) enclosed
	<b>Total</b>	

**Surname or Name of corporate body:**

First name(s) in full

Title (Mr, Mrs, Miss, Ms, etc)

Cellphone Number

Email Address

Address

Postal code

Do you elect to receive direct electronic shareholder communication?

Yes

You are encouraged to make the election to receive direct electronic shareholder communication, as this will enable the Company to directly send you relevant information regarding your shareholding.

Note:

Signature of Shareholder	Name and address of agent lodging this Form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home) ( )	
Telephone number (Work) ( )	
Cellphone number	

**PART B: TO BE COMPLETED BY EMIGRANTS OF THE COMMON MONETARY AREA**

Nominated authorised dealer in the case of a Scheme Participant who is an emigrant from the Common Monetary Area (see note 2 below).

**NB: PART A must also be completed.**

Name of dealer	Account number
Address	

**PART C: TO BE COMPLETED BY ALL SCHEME PARTICIPANTS IN ORDER TO RECEIVE THE SCHEME CONSIDERATION (OR PART THEREOF)**

Name of account holder (no third party accounts)
Name of Broker:
Name of CSDP:
Account number of Broker:
Account number of CSDP:
Telephone number of CSDP:
SCA number of Broker/CSDP:
(State full name and capacity):

Should the account details provided by you above be incorrect and/or incomplete, it will not be possible to credit such account with your Scheme Consideration (or part thereof), in which case the Scheme Consideration (or part thereof) will be held with Computershare Proprietary Limited until such time as correct and/or complete information is received.

Should you elect to participate in the Reinvestment Offer you will not receive your Scheme Consideration (or part thereof) in cash. In so electing, you authorise Cartrack to instruct Karoo000, on your behalf, to apply your Scheme Consideration (or part thereof) in settlement of your obligation to pay the subscription price for the Karoo000 Shares in accordance with the terms and conditions of the Reinvestment Offer, thereby extinguishing in full the obligation by Cartrack to remit such Scheme Consideration (or part thereof) to you pursuant to the Scheme.

In terms of the Financial Intelligence Centre Act requirements, Computershare will only be able to record the banking details if the following documents are attached:

- a certified copy of identity document; and
- a certified true copy of a bank statement.

Cartrack undertakes no responsibility for verifying the banking details provided above or the authenticity of the signature below. Scheme Participants warrant the correctness of the above banking details and indemnify Cartrack against any loss once funds have been paid into the account whose details have been provided above.

	Stamp and address of agent lodging this form (if any)
Signature of Shareholder	

Please read the notes and instructions on the reverse side.

**Notes and instructions:**

1. No receipt will be issued for documents lodged unless specifically requested. Signatories may be called upon for evidence of their authority or capacity to sign this form.
2. Persons who are emigrants from the Common Monetary Area should nominate the authorised dealer in foreign exchange in South Africa which has control of their blocked assets in Part B of this form. Failing such nomination, the Scheme Consideration due to such Scheme Participants in accordance with the provisions of the Scheme will be held by the Company or the Transfer Secretaries for and on behalf of such Scheme Participants, pending lawful instruction from the Scheme Participants concerned.
3. Any alteration to this form must be signed in full and not initialled.
4. If this form is signed under power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by the Company or its Transfer Secretaries). This does not apply in the event of this form bearing a JSE broker's stamp.
5. Where the Scheme Participant is a company or a close corporation, unless it has been registered with the Company or its Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form must be submitted if so requested by the Company.
6. If this form is not signed by the Scheme Participant, the Scheme Participant will be deemed to have irrevocably appointed the Company Secretary or the Transfer Secretaries to implement the Scheme Participant's obligations under the Scheme on his/her behalf.
7. Where there are any joint holders of any Scheme Shares, only that holder whose name stands first in the Register in respect of such shares need sign this form.
8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.