

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply to this entire document, including the cover page, except where the context indicates otherwise.

Action required by Certificated and Dematerialised Shareholders

This document should be read in its entirety with particular attention to the section entitled "Action Required by Metrofile Shareholders", on page 3 of this Circular.

If you are in any doubt as to what action you should take, please consult your Broker, banker, legal adviser, CSDP or other professional adviser immediately. If you have disposed of all your Metrofile Shares on or before Friday, 11 November 2016, this Circular should be handed to the purchaser of such Metrofile Shares or to the Broker, banker, CSDP or other agent through whom the disposal was effected.

Metrofile does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Beneficial Owner of Metrofile Shares to notify such Beneficial Owner of the details set out in this Circular.

metrofile

Holdings Limited

Metrofile Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1983/012697/06)

Share code: MFL ISIN: ZAE000061727

("Metrofile" or "the Company")



active equity partners

**MIC Investment Holdings
Proprietary Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1999/007850/07)

("MICIH")

COMBINED CIRCULAR TO SHAREHOLDERS

Regarding

- the specific issue of shares for cash, in terms of which Metrofile will issue 8 056 258 Metrofile Shares to MICIH (a Related Party to Metrofile) at the Subscription Consideration; and
- a waiver of the requirement for MICIH and any other party which may be Acting in Concert with it to make a Mandatory Offer to remaining Metrofile Shareholders.

and enclosing

- a fair and reasonable opinion in terms of Regulation 86(7) of the Companies Regulations;
- a notice of General Meeting; and
- a Form of Proxy (*green*) (for use by Certificated Shareholders and Own Name Dematerialised Shareholders only).

Date of issue: 16 November 2016

This Circular is only available in English. A copy hereof may be obtained from the registered offices of Metrofile, the address of which appears in the "Corporate Information and Advisers" section on the inside front cover of of this Circular, from Wednesday, 16 November 2016 until Wednesday, 14 December 2016. This Circular is also available on Metrofile's website (www.metrofileholdings.com).

**Financial Adviser to MICIH
and Transaction Sponsor**



**RAND
MERCHANT
BANK**

A division of FirstRand Bank Limited

Legal Adviser to MICIH



Sponsor to Metrofile

Legal Adviser to Metrofile



Independent Expert



Standard Bank



CORPORATE INFORMATION AND ADVISERS

Company Secretary to Metrofile

Paige Atkins

Registered office

41 Wordsworth Avenue
Senderwood, 2007
(PO Box 40264, Cleveland, 2022)

Registration number:

1983/012697/06

Website: www.metrofileholdings.com

Date of incorporation: 18 November 1983

Place of incorporation: South Africa

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2193
(Private Bag X60500, Houghton, 2041)

Financial Adviser to MICIH and Transaction Sponsor

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 786273, Sandton, 2146)

Transfer Secretaries to Metrofile

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

Sponsor to Metrofile

The Standard Bank of South Africa Limited
(Registration number: 1962/000738/06)
30 Baker Street
Rosebank, 2196
(PO Box 61771, Marshalltown, 2107)

Legal Adviser to Metrofile

Edward Nathan Sonnenbergs Incorporated
(Registration number: 2006/018200/21)
150 West Street
Sandton
Johannesburg, 2196
(PO Box 783347, Sandton, 2146)

Legal Adviser to MICIH

PricewaterhouseCoopers Legal (Pty) Ltd
(Registration number: 2011/009722/07)
3rd Floor, 30 Melrose Boulevard, Melrose Arch
Melrose North, Johannesburg, 2196
(Private Bag X36, Sunninghill 2157, South Africa)

TABLE OF CONTENTS

The definitions and interpretations commencing on page 4 of this Circular shall apply, *mutatis mutandis*, to this section.

COMBINED CIRCULAR TO SHAREHOLDERS	Outside front cover
CORPORATE INFORMATION AND ADVISERS	Inside front cover
TABLE OF CONTENTS	1
SALIENT DATES AND TIMES	2
ACTION REQUIRED BY METROFILE SHAREHOLDERS	3
DEFINITIONS AND INTERPRETATION	4
COMBINED CIRCULAR TO SHAREHOLDERS	8
1. INTRODUCTION AND BACKGROUND	8
2. PURPOSE OF THIS CIRCULAR	9
3. BUSINESS OF METROFILE	9
4. PROSPECTS	9
5. OVERVIEW OF MICIH AND RATIONALE FOR THE SPECIFIC ISSUE	9
6. DETAILS OF THE SPECIFIC ISSUE	10
7. EXPENSES	14
8. SHARE CAPITAL OF THE COMPANY	14
9. STATEMENT OF MAJOR SHAREHOLDERS	15
10. INFORMATION RELATING TO METROFILE DIRECTORS	15
11. DISCLOSURES IN TERMS OF THE COMPANIES REGULATIONS	15
12. INTERESTS AND DEALINGS IN SECURITIES	15
13. STATEMENT OF DIRECTORS' INTERESTS AND DEALINGS	16
14. REMUNERATION OF DIRECTORS	17
15. FINANCIAL INFORMATION OF METROFILE	17
16. RESPONSIBILITY STATEMENT	17
17. AGREEMENTS IN RELATION TO THE SPECIFIC ISSUE	17
18. OPINIONS AND RECOMMENDATIONS	18
19. LITIGATION AND LEGAL PROCEEDINGS	18
20. MARKET VALUE OF SECURITIES	18
21. MATERIAL CHANGES	18
22. ADVISERS' CONSENTS	18
23. GENERAL MEETING	18
24. TRANSACTION SPONSOR INDEPENDENCE	18
25. DOCUMENTS AVAILABLE FOR INSPECTION	19
ANNEXURE 1 – REPORT OF THE INDEPENDENT EXPERT	20
ANNEXURE 2 – EXTRACT OF AUDITED HISTORICAL FINANCIAL INFORMATION OF METROFILE FOR THE YEARS ENDED 30 JUNE 2014, 30 JUNE 2015, 30 JUNE 2016	24
ANNEXURE 3 – METROFILE SHARE PRICE HISTORY	28
NOTICE OF GENERAL MEETING OF METROFILE SHAREHOLDERS	29
FORM OF PROXY: GENERAL MEETING OF METROFILE SHAREHOLDERS	Attached

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular shall apply, *mutatis mutandis*, to this section.

Item	2016
Record date for Metrofile Shareholders to be registered as such in order to receive this Circular	Friday, 11 November
Circular posted to Metrofile Shareholders and announcement thereof released on SENS on	Wednesday, 16 November
Posting of Circular announced in the press on	Thursday, 17 November
Last day to make representations to the TRP relating to the exemption application – as provided in paragraph 6.3.7	Wednesday, 30 November
Last day to trade in Metrofile Shares in order to be eligible to attend, participate in, and vote at the General Meeting	Tuesday, 6 December
Record date to determine which Metrofile Shareholders are entitled to attend, participate in and vote at the General Meeting	Friday, 9 December
Submission of Forms of Proxy (<i>green</i>) by 9:30 on	Monday, 12 December
General Meeting to be held at Summer Place, 69 Melville Road, Hyde Park, 2196, Gauteng at 9:30 on	Wednesday, 14 December
Results of the General Meeting released on SENS on	Wednesday, 14 December
Results of the General Meeting published in the South African press on	Thursday, 15 December
Exemption application to the TRP to obtain the TRP Waiver Ruling	Thursday, 15 December

Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the South African press.
2. A Form of Proxy not lodged with the Transfer Secretaries may be handed to the chairman of the General Meeting before its due commencement or before the due commencement of any adjourned or postponed General Meeting.
3. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting, unless withdrawn by the Shareholder.
4. If the General Meeting is adjourned or postponed then Proxy Forms that have not yet been submitted should be lodged with the Transfer Secretaries by no later than 48 hours before the adjourned or postponed General Meeting, but may nonetheless be handed to the chairman of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Metrofile Shareholder at the adjourned or postponed General Meeting.
5. Metrofile will release a SENS announcement of the TRP Waiver Ruling and inform Metrofile Shareholders that they may request the Takeover Special Committee to review the TRP Waiver Ruling within 5 Business Days of the date of the TRP Waiver Ruling announcement. This announcement shall also advise Shareholders of the expected date of the commencement of the listing of the Subscription Shares on the stock exchange operated by the JSE.
6. All dates and times quoted in this document are South African dates and times.

ACTION REQUIRED BY METROFILE SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular shall apply, *mutatis mutandis*, to this section.

Please take careful note of the following provisions regarding the actions required by Shareholders:

This Circular contains important information regarding the Specific Issue, the Waiver of Mandatory Offer and matters relating thereto and requires your immediate attention.

Shareholders should not construe anything in this Circular as legal, business or tax advice. Shareholders who are in any doubt as to what action to take should consult their CSDP, Broker, banker, accountant or other professional adviser immediately.

1. If you have disposed of all your Shares, this Circular should be handed to the purchaser of such Shares or the Broker, CSDP, banker or other agent through whom such disposal was effected.
2. If you are in any doubt as to the action you should take, please consult your Broker, CSDP, accountant, legal adviser or other professional adviser immediately.
3. This Circular contains important information regarding the Specific Issue, the Waiver of Mandatory Offer and matters relating thereto. You should carefully read this Circular in its entirety and decide how you wish to vote on the resolutions to be proposed at the General Meeting.

4. GENERAL MEETING

Shareholders are invited to attend the General Meeting convened in terms of the Notice of General Meeting attached to and forming part of this Circular, to be held at Summer Place, 69 Melville Road, Hyde Park, 2196, Gauteng at 9:30 on Wednesday, 14 December 2016, or any other adjourned or postponed date and time determined in accordance with the provisions of section 64(11) of the Companies Act and the Metrofile memorandum of incorporation, as read with the Listings Requirements.

5. OWN-NAME DEMATERIALISED SHAREHOLDERS AND CERTIFICATED SHAREHOLDERS

You are entitled to attend, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting, but wish to be represented thereat, you are requested to complete and return the attached Form of Proxy (*green*), in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) by no later than 9:30 on Monday, 12 December 2016. Proxy Forms not lodged with the Transfer Secretaries may be handed to the chairman of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.

6. DEMATERIALISED SHAREHOLDERS WITHOUT OWN-NAME REGISTRATION

You must **not** complete the attached Form of Proxy (*green*).

If you have not been contacted by your CSDP or Broker with regard to how you wish your vote to be cast at the General Meeting, you should contact your CSDP or Broker to enable them to vote in accordance with your instructions. If your CSDP or Broker does not obtain instructions from you, it will then be obliged to act in terms of the Custody Agreement entered into between you and your CSDP or Broker.

If you wish to attend the General Meeting in person, you must request your CSDP or Broker to issue the necessary letter of representation to you, to enable you to attend the General Meeting.

7. NOTICE OF GENERAL MEETING

The notice convening the General Meeting is attached to this Circular.

DEFINITIONS AND INTERPRETATION

In this Circular, unless the context indicates otherwise, words or expressions that are defined in the Companies Act or Companies Regulations shall bear the meanings assigned to them there, a word or an expression which denotes any gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

“Acting in Concert”	will bear the meaning assigned to this term in section 117 of the Companies Act;
“Associate”	will bear the meaning assigned to this term in the Listings Requirements;
“BEE”	means black economic empowerment;
“Beneficial Owner”	means a person on whose behalf any Dematerialised Share (not held in “own name” form) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement;
“Broker”	means any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	means any day other than a Saturday, Sunday or official public holiday in South Africa;
“cents”	means South African cents, in the official currency of South Africa;
“Certificated Shareholders”	means Shareholders who hold Certificated Shares;
“Certificated Shares”	means Shares that have not been Dematerialised, the title to which is evidenced by a share certificate or other Document of Title;
“Circular”	means this bound document dated Wednesday, 16 November 2016 including its annexures and incorporating a Notice of General Meeting and a Form of Proxy (<i>green</i>);
“Clearances”	means all approvals, consents, clearances, exemptions, permissions and waivers that are required to be obtained, all filings that are required to be made, and all waiting periods that may need to have expired, under applicable law in connection with the implementation of the Subscription;
“Companies Act”	means the Companies Act, No. 71 of 2008, as amended, and, where appropriate, includes a reference to the Companies Regulations;
“Competition Authorities”	means the Competition Commission and/or the Competition Tribunal and/or the Competition Appeal Court, of South Africa created in terms of the Competition Act, No. 89 of 1998, as amended, and the competition authorities in other relevant jurisdictions in which Metrofile operates;
“Companies Regulations”	means the regulations promulgated in terms of section 223 of the Companies Act, published under Government Notice R351 in Government Gazette 34239 of 26 April 2011, as amended;
“CSDP”	means a Central Securities Depository Participant registered as a participant in terms of the Financial Markets Act;
“Custody Agreement”	means a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Metrofile’s uncertificated securities register administered by a CSDP or Broker on behalf of that person;
“Dematerialised”	means the process whereby paper share certificates or other Documents of Title are replaced with electronic records of ownership of Shares or securities, with a CSDP or Broker, as contemplated in section 49(5) of the Companies Act and under the Strate system;

“Dematerialised Shares”	means Shares that have been Dematerialised or have been issued in Dematerialised form, and which are held in electronic form on Metrofile’s uncertificated securities register administered by a CSDP;
“Dematerialised Shareholders”	means Shareholders who hold Dematerialised Shares;
“Documents of Title”	means valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Metrofile Shares, reasonably acceptable to Metrofile;
“Entity”	includes any association, business, close corporation, company, concern, enterprise, firm, partnership, person, trust, undertaking, voluntary association or other similar entity whether corporate or unincorporated;
“Financial Markets Act”	means the Financial Markets Act, No. 19 of 2012, as amended;
“Form of Proxy” or “Proxy Form”	means the green form of proxy attached to and forming part of this Circular, for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only;
“Fulfilment Date”	means the date on which the Suspensive Conditions contained in the Subscription Agreement are timeously fulfilled and/or waived;
“General Meeting”	means the general meeting of Metrofile Shareholders to be held at 9:30 on Wednesday, 14 December 2016 or any other adjourned or postponed date and time determined in accordance with the provisions of section 64(11) of the Companies Act and the Metrofile memorandum of incorporation, as read with the Listings Requirements, to be convened in connection with the Specific Issue and the Waiver of Mandatory Offer, for the purpose of considering, and if deemed fit passing, with or without modification, the resolutions contained in the Notice of General Meeting attached to and forming part of this Circular;
“Group”	means Metrofile, its subsidiary companies, joint ventures and holding companies and the subsidiary companies and joint ventures of any such holding company (each such term as defined in the Companies Act, whether or not such company is incorporated in South Africa) and the expression “Group Company” shall be construed accordingly;
“IFRS”	means International Financial Reporting Standards;
“Independent Board”	means those members of the Metrofile Board who are independent and have been appointed by the Metrofile Board to consider the terms of the Specific Issue, in accordance with Regulation 108(8) of the Companies Regulations, namely CS Seabrooke (chairman), IN Matthews and SV Zilwa;
“Independent Expert” or “BDO”	means BDO Corporate Finance Proprietary Limited (registration number 1983/002903/07), a private company incorporated in accordance with the laws of South Africa;
“Independent Shareholders”	means Metrofile Shareholders who, in relation to the Subscription, qualify as an “independent holder of voting rights” in terms of section 125(1) of the Companies Act, read with Regulation 81 of the Companies Regulations, for purposes of the Waiver of Mandatory Offer;
“Interim Period”	means the period commencing on the signature date of the Subscription Agreement (being 31 October 2016) and expiring on the completion of the Subscription, or the date on which the Subscription Agreement lapses or terminates, whichever occurs first;
“JSE”	means the JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	means Wednesday, 9 November 2016, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	means the Listings Requirements of the JSE, as amended;

“Long Stop Date”	means 28 February 2017, the date falling on the 120th day after the signature date of the Subscription Agreement (being 31 October 2016), or such later date as MICIH and Metrofile agree in writing on or before the arrival of that day;
“Mandatory Offer”	means “mandatory offer” as contemplated in section 123 of the Companies Act, which essentially provides, under the heading “the Mandatory Offer”, <i>inter alia</i> , that a person who acquires a beneficial interest in the voting rights attached to any securities of a regulated company (and, as a result of that acquisition, that person is able to exercise at least the “prescribed percentage” (currently 35%) of all the voting rights attached to the securities of that company), shall, <i>inter alia</i> , offer to acquire (from the holders of the remaining securities of that company) any remaining securities of the company, on the terms determined by the Companies Act and the Companies Regulations;
“Metrofile” or “the Company”	means Metrofile Holdings Limited (Registration number 1983/012697/06), a public company incorporated in accordance with the laws of South Africa, the Shares of which are listed on the main board of the JSE;
“Metrofile Board” or “Metrofile Directors”	means the directors of Metrofile as at the Last Practicable Date, whose names are set out on page 8 of this Circular;
“Metrofile Shares” or “Shares”	means ordinary shares having a par value of 0.6146 cents each in the share capital of Metrofile;
“Metrofile Shareholders” or “Shareholders”	means registered holders of Metrofile Shares;
“MIC”	means Mineworkers Investment Company Proprietary Limited (Registration number 1994/009420/07), a private company incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of MIT;
“MICIH”	means MIC Investment Holdings Proprietary Limited (Registration number 1999/007850/07), a private company incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of MIC. At the Last Practicable Date, MICIH held 34.4% of the issued share capital of Metrofile (34.6%, net of Treasury Shares), thus constituting it a Related Party to Metrofile;
“MICIH Board” or “MICIH Directors”	the board of directors of MICIH, whose names appear on page 8 of this circular;
“MIT”	means Mineworkers Investment Trust (Master’s reference number IT4684/95), a trust duly registered in accordance with the laws of South Africa;
“New Share Scheme”	means the proposed new bonus share plan for existing participants in Metrofile’s employee share schemes;
“Non-Public Shareholder”	will bear the meaning assigned to this term in the Listings Requirements;
“Notice of General Meeting”	means the notice, convening the General Meeting in order to consider and, if deemed fit, approve the resolutions, with or without modification, necessary to give effect to the Subscription and the Waiver of Mandatory Offer, attached to and forming part of this Circular;
“Own Name Dematerialised Shareholders”	means Dematerialised Shareholders who/which have elected “own name” registration;
“Rand” or “R”	means South African rand, the official currency of South Africa;
“Register”	means Metrofile’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including Metrofile’s uncertificated relevant sub-registers of the CSDP(s) administering the sub-registers of Metrofile securities register and Metrofile’s register of disclosures;
“Related Party”	will bear the meaning assigned to this term in the Listings Requirements;

“RMB”	means Rand Merchant Bank, a division of FirstRand Bank Limited, acting through its Corporate Finance Division in the capacities of Financial Adviser to MICIH and Transaction Sponsor to Metrofile, (Registration number 1929/001225/06), a public company duly incorporated in accordance with the laws of South Africa;
“SENS”	means the Stock Exchange News Service, operated by the JSE;
“South Africa”	means the Republic of South Africa;
“Strate”	means Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa, a registered central securities depository which is responsible for the electronic settlement system used by the JSE;
“Specific Issue” or “Subscription”	means the specific issue of the Subscription Shares for cash embodied in the Subscription Agreement;
“Subscription Agreement”	means the subscription agreement dated Monday, 31 October 2016 entered into between Metrofile and MICIH in terms of which after the fulfilment or waiver (where capable of waiver) of the Suspensive Conditions, MICIH shall subscribe for the Subscription Shares, and Metrofile shall issue such Subscription Shares to MICIH as a specific issue of shares for cash in accordance with the applicable requirements of the Listings Requirements and the provisions of the Companies Act;
“Subscription Consideration”	means R4.87 per Share, being a 5.0% premium to the VWAP per Share traded on the JSE over the 30 Trading Days prior to 31 October 2016 (being the date on which the Subscription Agreement was signed and the closing price envisaged therein agreed);
“Subscription Shares”	means 8 056 258 Metrofile Shares;
“Suspensive Conditions”	means the suspensive conditions to which the Subscription Agreement is subject, which remain unfulfilled as at the Last Practicable Date, as set out in paragraph 6.2 of this Circular;
“Takeover Special Committee”	means the Takeover Special Committee, established in terms of section 202 of the Companies Act;
“Trading Day”	means any day on which trading takes place through the usual trading systems on the JSE;
“Treasury Shares”	means 1 867 106 Shares held by Metrofile Management Service Proprietary Limited, a wholly owned subsidiary of the Company, which Shares will be retained by that subsidiary upon implementation of the Specific Issue;
“TRP”	means the Takeover Regulation Panel established by section 196 of the Companies Act;
“TRP Waiver Ruling”	means the TRP waiver ruling envisaged in the TRP Guideline 2/2011 which is obtained pursuant to the Waiver Exemption;
“Transfer Secretaries” or “Computershare”	means Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa and the transfer secretaries of Metrofile;
“VAT”	means Value Added Tax, levied in terms of the provisions of the Value-Added Tax Act No. 89 of 1991, as amended;
“VWAP”	means volume weighted average price;
“Waiver of Mandatory Offer” or “Waiver Resolution”	means an ordinary resolution of Independent Shareholders agreeing to waive the benefit of a Mandatory Offer which would otherwise arise following the implementation of the Subscription, as contemplated in Regulation 86(4) of the Companies Regulations; and
“Waiver Exemption”	means the exemption of MICIH and, if applicable, any other party Acting in Concert with it, from the obligation to make a Mandatory Offer, pursuant to the passing of the Waiver Resolution, as envisaged in the TRP Guideline 2/2011.

metr@file

Holdings Limited

Metrofile Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number 1983/012697/06)
Share code: MFL ISIN: ZAE000061727
("Metrofile" or "the Company")



active equity partners

MIC Investment Holdings Proprietary Limited

(Incorporated in the Republic of South Africa)
(Registration number 1999/007850/07)
("MICIH")

DIRECTORS OF METROFILE

CS Seabrooke (Chairman)*#
MS Bomela (Deputy Chairman)*
PG Serima (Chief Executive Officer)
MC McGowan (Chief Financial Officer)
P Langeni*#
CN Pongweni*
IN Matthews*#
GD Wackrill*
SV Zilwa*#

**Non-executive #Independent*

DIRECTORS OF MICIH

MS Bomela (Chief Executive Officer)
CN Pongweni (Chief Financial Officer)
N Khaole

COMBINED CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

- 1.1 Shareholders are referred to the Specific Issue announcement as published on SENS on Tuesday, 1 November 2016 and in the press on Wednesday, 2 November 2016 in which they were advised that MICIH and the Company had entered into the Subscription Agreement, in terms of which, subject to the fulfillment or waiver (where capable of waiver) of the Suspensive Conditions, MICIH will subscribe for an additional 8 056 258 Shares, representing approximately 1.9% of the Company's issued share capital, at the Subscription Consideration of R4.87 per Metrofile Share. The Subscription constitutes a specific issue of shares for cash to a Related Party, in accordance with the Listings Requirements and is subject to the fulfilment or waiver (where capable of waiver) of the Suspensive Conditions.
- 1.2 At the Last Practicable Date, MICIH held 146 943 472 Metrofile Shares, which equates to approximately 34.4% of the issued share capital of Metrofile (34.6%, net of Treasury Shares). Post implementation of the Specific Issue, MICIH will hold 154 999 730 Metrofile Shares, representing approximately 35.6% of the entire issued share capital of Metrofile (35.8%, net of Treasury Shares).
- 1.3 In the absence of the fulfillment of the Suspensive Conditions and, in particular the Waiver Resolution and the TRP Waiver Ruling, the implementation of the Specific Issue would ordinarily require a Mandatory Offer by MICIH and, if applicable, any other party Acting in Concert with it to acquire the remaining Metrofile Shares not held by MICIH following the implementation of the Specific Issue. In the circumstances, it is a Suspensive Condition to the Subscription Agreement that a Waiver Resolution will be put before Independent Shareholders, as an ordinary resolution and the Independent Shareholders will accordingly be required to vote on, and to validly approve, the Waiver of a Mandatory Offer. The valid approval of the Waiver Resolution, the issue of the TRP Waiver Ruling and the fulfilment of the other Suspensive Conditions contemplated in paragraph 6.2 below, will exempt MICIH and, if applicable, any other party Acting in Concert with it, from the obligation to make a Mandatory Offer to the holders of the remaining securities of Metrofile at the Subscription Consideration. Shareholders are advised that as at the Last Practicable Date MICIH is not Acting in Concert with any party in connection with the Specific Issue.
- 1.4 If the Suspensive Conditions are fulfilled or waived (where capable of waiver) then there will be no requirement for MICIH and, if applicable, any other party Acting in Concert with it to make a Mandatory Offer to the holders of the remaining securities of Metrofile. Conversely, if any of the

Suspensive Conditions are not fulfilled or waived (where capable of waiver) then the Specific Issue will fail in its entirety and there will be no requirement for MICIH and, if applicable, any other party Acting in Concert with it, to make a Mandatory Offer to the holders of the remaining securities of Metrofile.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Shareholders with information on the Specific Issue, the Waiver of Mandatory Offer and matters relating thereto and to convene the General Meeting at which Shareholders can consider and, if deemed fit, pass the resolutions, with or without modification, necessary to give effect to the Subscription and the Waiver of Mandatory Offer.

3. BUSINESS OF METROFILE

3.1 Metrofile is the dominant service provider in both physical and digital information and records management in Africa. The Group is represented in the six major provinces of South Africa, Botswana, Mozambique, Nigeria, Zambia, the United Arab Emirates, Qatar, Oman and, through subsidiary, CSX Customer Services Proprietary Limited, undertakes contracts in various other African countries. It focuses on the various aspects of enterprise records and information management. The Group operates through 44 purpose built facilities across South Africa accounting for approximately 88 000 square meters of warehousing and office space, as well as facilities across Africa and the Middle East.

3.2 The Group's services and products include archival, storage, retrieval, and destruction of records; conversion of paper and analogue records to digital formats; rotation management and storage of backup media; professional consultancy and records management software; waste paper collection and recycling; and sale and maintenance of document handling equipment, as well as other business and IT continuity services.

3.3 After 32 years, the Group remains the only full service business in South Africa able to offer a comprehensive range of information and records management solutions to suit the needs of organisations of every size. The Group's services cover the entire lifecycle of documents, from basic record storage to the integrated management of complex information and records, and thereafter destruction or recycling.

4. PROSPECTS

4.1 Metrofile anticipates continued growth in the challenging economic and business environments, both locally and on the African continent. The Group will continue to seek growth opportunities across all business units, both locally and internationally, in cradle to grave document management solutions.

4.2 At this stage, Metrofile expects to resume on its historic earnings growth profile in the forthcoming financial years.

4.3 Any forecast financial information contained in this Circular has not been reviewed or reported on by Metrofile's external auditors.

5. OVERVIEW OF MICIH AND RATIONALE FOR THE SPECIFIC ISSUE

5.1 MIC is a broad based black-owned and managed investment holding company that was established by the MIT in 1995 with seed capital of R3 million. The MIT's aim was to create a sustainable asset base to fund social development initiatives for members of the National Union of Mineworkers working in the mining, construction and energy sectors, their dependents and communities. To date MIC has disbursed approximately R450 million to the MIT to fund its social projects. MIC currently has a net asset value exceeding R5 billion and is an active shareholder in its portfolio companies which include a number of leading South African listed and unlisted companies. MIC has a strong track record of adding value to its portfolio companies through providing strategic direction, being an anchor shareholder of reference and utilising its strong empowerment ownership credentials.

5.2 MICIH has been a long-term shareholder of Metrofile, having acquired a 25% stake in Metrofile Proprietary Limited in 2004 and subsequently increasing its ownership to its current holdings of 34.4% (34.6% net of Treasury Shares). MIC has been a value additive partner to Metrofile over the years and has continued to support the Company's initiatives in all areas including management and

through its empowerment credentials. MIC is fully committed to assisting Metrofile in achieving its strategic growth objectives and to maximise its BEE ownership, in line with government policy and in line with the Company's philosophy. The Subscription is a significant vote of confidence in Metrofile and its future growth prospects and will:

- 5.2.1 further entrench Metrofile's position as a leading black-empowered fully integrated records and information management company in South Africa;
 - 5.2.2 enhance Metrofile's BEE ownership credentials, which amounts to a significant strategic and competitive advantage in the South African market;
 - 5.2.3 allow MICIH to use its expertise and experience in acquisitions and a proven ability to implement transactions to assist Metrofile in identifying and completing transactions in support of its strategic objectives; and
 - 5.2.4 allow Metrofile to be strengthened by a shareholder of reference with the ability to support the Company both strategically and financially.
- 5.3 The Metrofile Board has considered alternative transaction structures and is of the view that the Subscription is the optimal solution for both MICIH and the Company. Subject to Shareholders approving the Subscription and Waiver of a Mandatory Offer, MICIH will exceed the 35% Mandatory Offer threshold, allowing it to continue to acquire further Shares without the requirement to make a Mandatory Offer to Shareholders. MICIH's strategy is to ultimately further increase its shareholding in Metrofile, which aligns with the Company's objective of maximising its BEE ownership.
- 5.4 The Subscription will also allow Metrofile to restart its share repurchase programme, which was previously suspended as it would have led to MICIH's shareholding in Metrofile exceeding 35% (thus requiring MICIH to make a Mandatory Offer to all Metrofile Shareholders).
- 5.5 The Subscription's considerable strategic benefits to the Company, described above, significantly outweigh the fact that Metrofile is still leveraged below its target borrowing ratios. Those ratios are expected to increase on implementation of the dividend policy recently adopted by the Metrofile Board, as well as through the Company's proposed acquisition, expansion and capex programs. It is intended that the Subscription proceeds will be applied to part-fund these on-going initiatives.

6. DETAILS OF THE SPECIFIC ISSUE

6.1 Terms of the Specific Issue

- 6.1.1 Metrofile has entered into the Subscription Agreement with MICIH in terms of which, subject to the fulfillment or waiver (where capable of waiver) of the Suspensive Conditions, MICIH will subscribe for the Subscription Shares, at the Subscription Consideration.
- 6.1.2 The Subscription Consideration is R4.87 per Share, being a 5.0% premium to the VWAP per Share traded on the JSE over the 30 Trading Days prior to 31 October 2016 (being the date on which the Subscription Agreement was signed and the closing price envisaged therein agreed).
- 6.1.3 The proceeds of the Specific Issue, being R39 233 976.46, will be used to fund the Group's on-going operations and to further its strategic objectives.
- 6.1.4 Metrofile has provided undertakings to MICIH in the Subscription Agreement to the effect that, during the Interim Period, the Company shall (and the Company shall procure that each of the other Group Companies shall):
 - 6.1.4.1 conduct its operations in the ordinary course, and, without limitation, shall not undertake or agree to undertake any acquisition or disposal other than in the ordinary course of business;
 - 6.1.4.2 not adopt (other than the New Share Scheme), amend, accelerate or terminate any employee benefit plan (other than pursuant to the adoption of the New Share Scheme) or increase the benefits to any employee under any such plan, except as required by law;
 - 6.1.4.3 not dispose of any Treasury Shares other than as may be required to satisfy any options to the extent validly exercised in terms of an existing employee share scheme;
 - 6.1.4.4 other than as contemplated in the Subscription Agreement or in terms of an existing employee share scheme and/or the New Share Scheme, not issue any:

- 6.1.4.4.1 securities of Metrofile to any person; or
- 6.1.4.4.2 securities of any Group Company to any person (other than any issue of such securities to the Company or to any Group Company); or
- 6.1.4.4.3 any options in respect of any securities of the Group to any person;
- 6.1.4.5 not alter the composition of the Metrofile Board in any way, except as required by law or pursuant to a resolution adopted by its shareholders (other than any retirement or re-election that is required in terms of Metrofile's memorandum of incorporation or the Listings Requirements); and
- 6.1.4.6 refrain from incurring indebtedness, or pledging or encumbering assets to secure any indebtedness, having a value in excess of R500 million.
- 6.1.5 In terms of the Subscription Agreement, each of Metrofile and MICIH has provided each other with warranties and undertakings appropriate for a transaction of the nature of the Subscription.
- 6.1.6 The Subscription Agreement may terminate in accordance with the termination provisions thereof and by way of summary it should be noted that the Subscription Agreement may terminate –
 - 6.1.6.1 if the Fulfilment Date does not occur before the Long Stop Date;
 - 6.1.6.2 upon written notice by Metrofile to MICIH if:
 - 6.1.6.2.1 MICIH commits a material breach of any material provision of the Subscription Agreement and, if capable of remedy, fails to remedy such breach within the agreed remedy period; and
 - 6.1.6.2.2 it becomes impossible for completion of the Subscription to occur on or before a date falling 30 days after the Fulfilment Date in consequence of a material breach of the Subscription Agreement committed by MICIH or due to circumstances outside of the reasonable control of Metrofile or MICIH; or
 - 6.1.6.3 upon written notice by MICIH to Metrofile, if:
 - 6.1.6.3.1 Metrofile commits a breach of certain specified provisions in the Subscription Agreement, including but not limited to convening the General Meeting, and fails to remedy such breach within the agreed remedy period;
 - 6.1.6.3.2 Metrofile commits a breach of any of the Interim Period undertakings referred to in 6.1.4 above;
 - 6.1.6.3.3 Metrofile commits a material breach of any other material provision of the Subscription Agreement (including a breach of warranty) and, if such breach is capable of remedy, fails to remedy such breach within the agreed remedy period; or
 - 6.1.6.3.4 Metrofile is unable to satisfy the solvency and liquidity test referred to in section 4 of the Companies Act if it were to apply such test at any time between signature date of the Subscription Agreement and the Fulfilment Date; and
 - 6.1.6.3.5 it becomes impossible for completion of the Subscription to occur on or before a date falling 30 days after the Fulfilment Date in consequence of a material breach of the Subscription Agreement committed by Metrofile or due to circumstances outside of the reasonable control of Metrofile or MICIH.
- 6.1.7 Termination shall be without prejudice to the rights of either Metrofile or MICIH that may have arisen prior to termination, and/or the rights of the other party to bring any other claim or action available at law against the other party arising from a breach of the Subscription Agreement.
- 6.1.8 Notwithstanding anything to the contrary contained in the Subscription Agreement or this Circular, if the performance of either Metrofile's or MICIH's obligations in terms of the Subscription Agreement or the Subscription becomes impossible due to circumstances outside of the reasonable control of such party, such party shall not be in breach of such obligations.

6.2 Suspensive Conditions to the Specific Issue

6.2.1 The Specific Issue is subject to the fulfilment, or waiver (where capable of waiver), of the following Suspensive Conditions which remain unfulfilled as at the Last Practicable Date:

6.2.1.1 each of the resolutions set out in the Notice of General Meeting being approved by the requisite majority of the voting rights to be exercised by Shareholders at the General Meeting (MICIH and any of their Associates will not be taken into account in determining a quorum at the General Meeting and will be precluded from voting on any of the resolutions);

6.2.1.2 all Clearances to effect and implement the Subscription and to implement the Subscription Agreement are granted, including:

6.2.1.2.1 if and to the extent required in law, the approval of the Competition Authorities (and such approval is no longer capable of appeal, in the absence of condonation);

6.2.1.2.2 the listing of the Subscription Shares on the stock exchange operated by the JSE;

6.2.1.2.3 the issue of the TRP Waiver Ruling by the TRP;

6.2.1.2.4 within five Business Days from the date Metrofile announces on SENS the issue of the TRP Waiver Ruling (or such longer period as may be allowed by the Takeover Special Committee), no Independent Shareholder/s requests the Takeover Special Committee to review the TRP Waiver Ruling (such that the TRP waiver proceedings may then be regarded as complete) or if any Independent Shareholder/s requests the Takeover Special Committee to review the TRP Waiver Ruling, the Takeover Special Committee confirms the TRP Waiver Ruling by not later than the Long Stop Date, such that the TRP waiver proceedings may then be regarded as complete;

provided that if any condition or qualification is attached to such Clearance, then such Suspensive Condition will be deemed to have been fulfilled in respect of such Clearance if the imposition of such condition or qualification has been approved, within seven Business Days, by MICIH, and (only if that condition or qualification has a direct impact on any company in the Group) by Metrofile (which approval shall not unreasonably be withheld or delayed by Metrofile), failing which the relevant Suspensive Condition shall be deemed not to have been fulfilled; and

6.2.1.3 the Subscription Agreement remaining in full force and effect as at the time of fulfilment of the other Suspensive Conditions.

6.2.2 If all the Suspensive Conditions are fulfilled or waived then there will be no requirement for MICIH and, if applicable, any other party which may be Acting in Concert with it to make a Mandatory Offer to remaining Metrofile Shareholders. Conversely, if any of the Suspensive Conditions are not fulfilled or waived (where capable of waiver) then the Subscription will not be implemented and there will likewise be no obligation of MICIH to make a Mandatory Offer to remaining Metrofile Shareholders.

6.2.3 The Specific Issue is deemed to be a specific issue of shares for cash in terms of the Listings Requirements. The Specific Issue will require Metrofile Shareholder approval by way of a special resolution requiring support from Metrofile Shareholders holding at least 75% of the total number of votes exercised by Metrofile Shareholders present and eligible to vote on such resolution at the General Meeting (excluding MICIH and its Associates).

6.2.4 To the extent that any provision of the Subscription Agreement constitutes financial assistance given in connection with the subscription of securities in Metrofile (including without limitation, the giving of warranties and/or the payment of legal and other transaction costs to be borne by Metrofile in respect of the Specific Issue), special resolutions 3 and 4 set out in the Notice of General Meeting, will be required to be approved by the requisite majority of the voting rights to be exercised by Shareholders at the General Meeting.

6.2.5 The Specific Issue is an issue to MICIH, being a Non-Public Shareholder of, and a Related Party to, Metrofile.

6.3 Waiver of Mandatory Offer

6.3.1 At the Last Practicable Date, MICIH owns 146 943 472 Metrofile Shares, which equates to approximately 34.4% (34.6% net of Treasury Shares) of the issued share capital of Metrofile

immediately before the implementation of the Specific Issue. The implementation of the Specific Issue will result in MICIH holding 154 999 730 Metrofile Shares which equates to approximately 35.6% (35.8% net of Treasury Shares) of the issued share capital of Metrofile immediately after the implementation of the Specific Issue. In the absence of the Suspensive Conditions (which Suspensive Conditions embody the requirements for a Waiver of Mandatory Offer in accordance with the Companies Regulations), the Specific Issue would ordinarily require a Mandatory Offer by MICIH and, if applicable, any other party Acting in Concert with it to acquire the remaining Metrofile Shares not held by MICIH following the implementation of the Specific Issue at the Subscription Consideration. Accordingly, the attention of Metrofile Shareholders is directed to paragraph 1 above from which it is evident that a Mandatory Offer will never fall to be required.

- 6.3.2 Regulation 86(4) of the Companies Regulations permits a waiver from the obligation to make a Mandatory Offer if such waiver is approved by Independent Shareholders, in person or by proxy, holding more than 50% of the general voting rights of all the issued shares of the Company in a general meeting. Accordingly, the Specific Issue is subject to the Suspensive Conditions that, *inter alia*, Independent Shareholders approve the Waiver Resolution included in the notice of General Meeting forming part of this Circular. The valid approval of the Waiver Resolution, together with the TRP Waiver Ruling, will exempt MICIH and, if applicable, any other party which may be Acting in Concert with it from the obligation to make a Mandatory Offer to the holders of the remaining Metrofile Shares pursuant to the Specific Issue.
- 6.3.3 In terms of Regulation 86(7) of the Companies Regulations, the Waiver of Mandatory Offer requires a fair and reasonable opinion. The fair and reasonable opinion prepared by the Independent Expert, is contained in Annexure 1 to this Circular. The Independent Board, having received and considered the fair and reasonable opinion, is of the opinion that the Waiver of Mandatory Offer is fair and reasonable to the Independent Shareholders. The Independent Board accordingly recommends that Independent Shareholders vote in favour of the Waiver Resolution proposed at the General Meeting.
- 6.3.4 The TRP has advised that it is willing to consider the application for the Waiver Exemption if the majority of Independent Shareholders waive their entitlement to receive the Mandatory Offer which would otherwise be required from MICIH and, if applicable, any other party Acting in Concert with it, in accordance with Regulation 86(4) of the Companies Regulations.
- 6.3.5 Included in this Circular is the Notice of General Meeting and the Waiver Resolution for Independent Shareholders to consider, and if deemed fit, to approve at the General Meeting.
- 6.3.6 After the General Meeting is held and should the Waiver Resolution have been validly passed, an application for the Waiver Exemption will be submitted to the TRP together with supporting documents indicating that the Waiver Resolution has been validly passed in terms of Regulation 86(4) of the Companies Regulations.
- 6.3.7 Any Metrofile Shareholder who wishes to make representations relating to the Waiver Exemption will have 10 Business Days from the date of the distribution of this Circular to make such representations to the TRP before the TRP Waiver Ruling is considered. Representations should be made in writing and delivered by hand, posted or faxed to:

If delivered by hand or courier:	If emailed:	If faxed:
The Executive Director Takeover Regulation Panel 1st Floor, Block 2, Freestone Park 135 Patricia Road Atholl Johannesburg 2196	admin@trpanel.co.za	The Executive Director Takeover Regulation Panel + 27 (0) 11 784 0062

and should reach the TRP by no later than the close of business on Wednesday, 30 November in order to be considered.

- 6.3.8 If any representations are made to the TRP within the permitted timeframe, the TRP will consider the merits thereof before making the TRP Waiver Ruling.
- 6.3.9 The TRP will accordingly consider the application for the Waiver Exemption and any representations made to the TRP within the permitted timeframe, and make a TRP Waiver Ruling, which incorporates the reasons therefor.
- 6.3.10 Metrofile will then make an announcement of the TRP Waiver Ruling and inform Metrofile Shareholders that they may request the Takeover Special Committee to review the TRP Waiver Ruling within five Business Days of the announcement.

6.3.11 The TRP waiver proceedings will be regarded as completed and the Waiver Exemption confirmed (i) after the expiry of the five Business Days' notice period, if no Metrofile Shareholder/s requests the Takeover Special Committee to review the TRP Waiver Ruling or (ii) on the date that the Takeover Special Committee confirms the TRP Waiver Ruling (which must occur by not later than the Long Stop Date) if any Metrofile Shareholder/s request(s) the Takeover Special Committee to review the TRP Waiver Ruling. In the circumstances, it is a Suspensive Condition to the Specific Issue that within five Business Days from the date Metrofile announces on SENS the results of the TRP Waiver Ruling, no Metrofile Shareholder/s requests the Takeover Special Committee to review the TRP Waiver Ruling (such that the TRP waiver proceedings may then be regarded as complete) or if any Metrofile Shareholder/s request(s) the Takeover Special Committee to review the TRP Waiver Ruling, the Takeover Special Committee confirms the TRP Waiver Ruling by no later than the Long Stop Date such that the TRP waiver proceedings may then be regarded as complete.

6.4 As at the Last Practicable Date, no person has provided irrevocable undertakings to vote in favour of or against the resolutions relating to the Specific Issue at the General Meeting.

7. EXPENSES

7.1 There have been no preliminary expenses related to the Specific Issue, incurred by Metrofile in the three years immediately preceding the date of this Circular.

7.2 The expenses payable by Metrofile, excluding VAT, relating to the Specific Issue and the Waiver of Mandatory Offer are detailed below:

Expense	Payable to:	R (excluding VAT)
Independent expert fees	BDO	150 000
Sponsor to Metrofile	Standard Bank	–
Legal Adviser to Metrofile fee	ENS	310 000
JSE		
– Documentation fee	JSE	18 421
– Listing fee	JSE	46 729
Printing costs payable	INCE	63 700
Total		588 850

8. SHARE CAPITAL OF THE COMPANY

8.1 The authorised and issued share capital of Metrofile, before and after the implementation of the Specific Issue is as follows:

Before the Specific Issue	R'000
<i>Ordinary Share Capital</i>	
Authorised	
500 000 000 ordinary shares having a par value of 0.6146 cents each	
Issued	
427 084 010 ordinary shares having a par value of 0.6146 cents each	2 625
<i>Share premium</i>	579 359
Total issued share capital and share premium	581 984
After the Specific Issue	R'000
<i>Ordinary Share Capital</i>	
Authorised	
500 000 000 ordinary shares having a par value of 0.6146 cents each	
Issued	
435 140 268 ordinary shares having a par value of 0.6146 cents each	2 674
<i>Share premium</i>	618 543
Total issued share capital and share premium	621 218

8.2 There have been no alterations to the authorised share capital in the three years preceding the date of this Circular. There are 1 867 106 Shares held by the Metrofile Group as Treasury Shares.

9. STATEMENT OF MAJOR SHAREHOLDERS

The direct and indirect beneficial interests of Metrofile Shareholders, beneficially interested in 5.0% or more of the Metrofile Shares are set out in the table below.

Shareholder	Beneficial		Total	Total %
	Direct	Indirect		
MIC	–	146 943 472	146 943 472	34.4%
Prudential Investment Managers	25 723 673	–	25 723 673	6.0%
Sabvest Limited	–	25 000 000	25 000 000	5.9%
Total	25 723 673	171 943 472	197 667 145	46.3%

10. INFORMATION RELATING TO METROFILE DIRECTORS

10.1 Metrofile Directors' details

There will be no variation in the full name, business address and function in the Group of any of the Metrofile Directors and the management forming part of Metrofile's major subsidiaries, as a consequence of the implementation of the Specific Issue.

10.2 Service contracts

10.2.1 There are service contracts between Metrofile and the non-executive Metrofile Directors, excluding MS Bomela and CN Pongweni, which set out their duties as well as their remuneration terms. MS Bomela and CN Pongweni do not have service contracts with Metrofile, instead there is a service agreement between Metrofile and MIC, in which MIC receives a management fee for non-executive and committee roles performed by MS Bomela and CN Pongweni.

10.2.2 The employment contracts with the executive Metrofile Directors contain normal terms and conditions of employment for contracts of this nature including, *inter alia*:

10.2.2.1 Notice for termination of employment: all employment contracts have a six month notice period;

10.2.2.2 Retirement: all Metrofile Directors retire in accordance with the Metrofile memorandum of incorporation, which is at least every three years. Retiring directors may offer themselves for re-election; and

10.2.2.3 Remuneration and bonuses: the Metrofile remuneration committee seeks to ensure that executive Metrofile Directors are rewarded for their contribution to the Group's operating and financial performance at levels which take into account country benchmarks. The remuneration of executive Metrofile Directors comprises a basic annual total cost package (which includes compulsory contributions to the Group's retirement schemes and voluntary participation in the Group's medical aid scheme) and performance related variable pay linked to short term and long term targets.

11. DISCLOSURES IN TERMS OF THE COMPANIES REGULATIONS

Other than PG Serima's appointment as Chief Executive Officer and the appointment of GD Wackrill as a non-executive Metrofile Director, there were no service contracts entered into or amended within six months before the Last Practicable Date.

12. INTERESTS AND DEALINGS IN SECURITIES

12.1 Metrofile's interests in MICIH

As at the Last Practicable Date, Metrofile had no interests in any MICIH Shares.

12.2 Metrofile's dealings in MICIH

In the six months preceding the Last Practicable Date, Metrofile has not dealt in any MICIH Shares.

12.3 MICIH's interests in Metrofile

As at the Last Practicable Date, MICIH's interest in Metrofile amounted to 146 943 472 Metrofile Shares, representing approximately 34.4% of the entire issued share capital of Metrofile.

12.4 MICIH's dealings in Metrofile

MICIH has not dealt in any Metrofile Shares in the six months preceding the Last Practicable Date.

13. STATEMENT OF DIRECTORS' INTERESTS AND DEALINGS

13.1 Metrofile's Directors' interests in Metrofile

The direct and indirect beneficial interests of the Metrofile Directors and their Associates in Metrofile Shares, including Metrofile Directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below.

Director	Associates	Beneficial		Total	Total %
		Direct	Indirect		
Executive Directors					
PG Serima	–	–	–	–	–
MC McGowan	–	59 900	–	59 900	0.0%
Non-Executive Directors					
CS Seabrooke	–	–	25 000 000	25 000 000	5.9%
MS Bomela	–	–	–	–	–
P Langeni	–	–	–	–	–
CN Pongweni	–	–	–	–	–
IN Matthews	–	–	–	–	–
GD Wackrill	–	5 714 367	–	5 714 367	1.3%
SV Zilwa	–	–	–	–	–
Total	–	5 774 267	25 000 000	30 774 267	7.2%

13.2 Metrofile Directors' interests in MICIH

The Metrofile Directors and their Associates, including directors who have resigned over the last 18 months, have no direct and indirect beneficial interests in MICIH Shares, as at the Last Practicable Date.

13.3 Metrofile's Directors' dealings in Metrofile

No Metrofile Directors dealt in Metrofile Shares in the period beginning six months before the Last Practicable Date.

13.4 Metrofile Directors' dealings in MICIH

No Metrofile Directors dealt in MICIH Shares in the period beginning six months before the Last Practicable Date.

13.5 MICIH Directors' interests in MICIH

The MICIH Directors and their Associates, including directors who have resigned over the last 18 months, have no direct and indirect beneficial interests in MICIH Shares, as at the Last Practicable Date.

13.6 MICIH Directors' interests in Metrofile

The MICIH Directors and their Associates, including directors who have resigned over the last 18 months, have no direct and indirect beneficial interests in Metrofile Shares, as at the Last Practicable Date.

13.7 MICIH Directors' dealings in MICIH

No MICIH Directors dealt in MICIH Shares in the period beginning six months before the Last Practicable Date.

13.8 MICIH Directors' dealings in Metrofile

No MICIH Directors dealt in Metrofile Shares in the period beginning six months before the Last Practicable Date.

14. REMUNERATION OF DIRECTORS

There will be no variation in the remuneration to be received by any of the Metrofile Directors as a consequence of the Specific Issue.

15. FINANCIAL INFORMATION OF METROFILE

Extracts from the audited financial information of Metrofile for the years ended 30 June 2016, 30 June 2015 and 30 June 2014 are included in Annexure 2 to this Circular.

16. RESPONSIBILITY STATEMENT

16.1 Metrofile Board

The Metrofile Board, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular which relates to the Specific Issue as well as the extracts of information relating to Metrofile and certifies that, to the best of its knowledge and belief, such information is true and this Circular does not omit any facts that would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Metrofile Board has made all reasonable enquiries to ascertain that no facts have been omitted and that this Circular contains all information required by law.

16.2 Independent Board

The Independent Board, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular which relates to the Specific Issue as well as the extracts of information relating to Metrofile and certifies that, to the best of its knowledge and belief, such information is true and this Circular does not omit any facts that would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Independent Board has made all reasonable enquiries to ascertain that no facts have been omitted and that this Circular contains all information required by law.

16.3 MICIH Board

The MICIH Board, individually and collectively, accepts full responsibility for the accuracy of the information contained in this Circular which relates to MICIH and certifies that, to the best of its knowledge and belief, such information that relates to MICIH is true and this Circular does not omit any facts which would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The MICIH Board has made all reasonable enquiries to ascertain that no facts have been omitted and that this Circular contains all information required by law.

17. AGREEMENTS IN RELATION TO THE SPECIFIC ISSUE

Other than the Subscription Agreement, no agreements have been entered into between MICIH and/or any party/ies Acting in Concert with it and (i) Metrofile or (ii) the Metrofile Directors (as at the Last Practicable Date or having resigned in the preceding 12 months) or (iii) Metrofile Shareholders (as at the Last Practicable Date or who were Metrofile Shareholders in the last preceding 12 months) in relation to the Specific Issue or otherwise which may be considered material to the decision regarding the Waiver of Mandatory Offer.

Other than the Subscription Agreement, no agreements have been entered into between Metrofile and (i) MICIH and/or, if applicable, any party/ies Acting in Concert with it or (ii) the MICIH Directors (as at the Last Practicable Date or having resigned in the preceding 12 months) or (iii) MICIH shareholders (as at the Last Practicable Date or who were MICIH shareholders in the last preceding 12 months) in relation to the Specific Issue or otherwise which may be considered material to the decision regarding the Waiver of Mandatory Offer.

18. OPINIONS AND RECOMMENDATIONS

- 18.1 The Independent Board has considered the terms and conditions of the Specific Issue and the contents of the fair and reasonable opinion contained in Annexure 1 to this Circular. The Independent Board is not aware of any factors that are difficult to quantify or are unquantifiable as envisaged in Regulation 110(6) of the Companies Regulations and is of the opinion that the Specific Issue is in the best interests of all of Metrofile's key stakeholders and will be to the long-term benefit of Metrofile Shareholders. Accordingly, the Independent Board recommends that Metrofile Shareholders vote in favour of the resolutions relating to the Specific Issue at the General Meeting.
- 18.2 Each of the Metrofile Directors who hold Metrofile Shares as contemplated in paragraph 13.1 intends (to the extent that such Metrofile Director is entitled to vote thereon) to vote in favour of the resolutions relating to the Specific Issue.
- 18.3 In terms of Regulation 106(7)(a) of the Companies Regulations, the Metrofile Board confirms that no offer has been received by the Company in the six months preceding the Last Practicable Date.
- 18.4 MICIH will be precluded from voting on all the resolutions required to approve the Specific Issue.
- 18.5 It is recommended that Metrofile Shareholders consult their professional advisers regarding the action to be taken in relation to the Specific Issue.

19. LITIGATION AND LEGAL PROCEEDINGS

At the Last Practicable Date there were no legal or arbitration proceedings (including proceedings which are pending or threatened) of which the Metrofile Directors are aware, which may have or have had during the twelve months preceding the date of this Circular, a material effect on the financial position of the Group.

20. MARKET VALUE OF SECURITIES

A table of the aggregate volumes and values of Metrofile Shares traded on the JSE, and the highest and lowest prices traded, for each month over the 12 months prior to the Last Practicable Date and for each day over the 30 Trading Days prior to the Last Practicable Date is included in Annexure 3 of this Circular.

21. MATERIAL CHANGES

There have been no material changes in the trading or financial position of the Group from its financial year ended 30 June 2016 to the Last Practicable Date.

22. ADVISERS' CONSENTS

The advisers whose names appear in the "Corporate Information and Advisers" section of this Circular have given and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names in the form and context in which they appear in this Circular.

The Independent Expert has given and has not withdrawn its consent to the issue of this Circular, with its report in the form and context in which it is included.

23. GENERAL MEETING

The General Meeting will take place at 9:30 on Wednesday, 14 December 2016 at Summer Place, 69 Melville Road, Hyde Park, 2196, Gauteng, to consider and if deemed fit to pass, with or without modification, the resolutions necessary to approve and give effect to the Specific Issue and the Waiver of Mandatory Offer.

A notice convening the General Meeting and a Form of Proxy (*green*), for use by Certificated Shareholders and Own Name Dematerialised Shareholders, are attached to and form part of this Circular.

24. TRANSACTION SPONSOR INDEPENDENCE

RMB is acting in the capacities of Financial Adviser to MICIH and Transaction Sponsor to Metrofile in respect of the Subscription. In terms of the Listings Requirements, it is confirmed that, in order to manage any potential or perceived conflicts of interest that might arise as a result of RMB acting in these roles, RMB has in place appropriate checks and balances and divisions of responsibility amongst the persons involved in fulfilling these various functions. RMB's ability to act independently and objectively in respect of each of these functions is safeguarded by the strict Chinese walls existing between the

various divisions and departments within RMB, allowing for no direction or instruction between these divisions and departments.

25. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders at Metrofile's registered office (the address of which appears in the section "Corporate Information and Advisers" on the inside front cover of this Circular) during normal office hours from the date of posting of this Circular until the date of the General Meeting:

- 25.1 a signed copy of this Circular;
- 25.2 the Subscription Agreement;
- 25.3 copies of all material contracts;
- 25.4 the published, audited financial information of Metrofile for the three years ended 30 June 2016, 30 June 2015 and 30 June 2014;
- 25.5 the service agreements with executive Metrofile Directors;
- 25.6 the service contracts described in paragraph 10.2.1 of this Circular;
- 25.7 a signed copy of the Independent Expert's fair and reasonable opinion in terms of Regulation 86(7) of the Companies Regulations contained in Annexure 1 to this Circular;
- 25.8 the approval letter from the TRP in respect of the posting of this Circular;
- 25.9 the memorandum of incorporation of Metrofile; and
- 25.10 the consent letters referred to in paragraph 22 of this Circular.

SIGNED AT JOHANNESBURG ON BEHALF OF THE METROFILE BOARD AND THE MICIH BOARD ON WEDNESDAY, 16 NOVEMBER 2016 IN TERMS OF RESOLUTIONS PASSED BY THE METROFILE BOARD AND THE MICIH BOARD.

By order of the Boards

METROFILE HOLDINGS LIMITED AND MIC INVESTMENT HOLDINGS PROPRIETARY LIMITED

Metrofile Holdings Limited

CS Seabrooke

Chairman

Wednesday, 16 November 2016

MIC Investment Holdings Proprietary Limited

MS Bomela

Chief Executive Officer

Wednesday, 16 November 2016

Registered office

41 Wordsworth Avenue
Senderwood, 2007

Registered office

MIC Place
4 Eton Road
Parktown, 2193

REPORT OF THE INDEPENDENT EXPERT

The Directors
Metrofile Holdings Limited
41 Wordsworth Avenue
Senderwood
2007

10 November 2016

Dear Sirs

INDEPENDENT EXPERT REPORT TO THE BOARD OF DIRECTORS OF METROFILE HOLDINGS LIMITED REGARDING THE WAIVER OF A MANDATORY OFFER

INTRODUCTION

In an announcement published by Metrofile Holdings Limited (“Metrofile”, or the “Company”) on the Stock Exchange News Service of the JSE Limited (“JSE”) (“SENS”) on 1 November 2016, holders of ordinary shares in the share capital of Metrofile (“Metrofile Shares”) (“Shareholders”) were advised that, subject to the fulfilment or waiver of certain suspensive conditions:

- MIC Investment Holdings Proprietary Limited (“MICIH”), a wholly-owned subsidiary of Mineworkers Investment Company Proprietary Limited (“MIC”), will subscribe for an additional 8 056 258 Metrofile Shares (the “Subscription Shares”), representing approximately 1.9% of the Company’s share capital after that subscription (the “Subscription”); and

Metrofile shall allot and issue such shares to MICIH as a specific issue of shares (the “Specific Issue”) (together the “Transaction”).

The Subscription Shares will be issued at a price of R4.87 per Share, being a 5.0% premium to the volume weighted average price (“VWAP”) (the “Subscription Consideration”) per Metrofile Share traded on the JSE over the 30 trading days prior to 31 October 2016, being the date on which the subscription agreement in respect of the Specific Issue was signed and the closing price envisaged therein agreed.

MICIH currently holds 34.4% of the issued share capital of Metrofile which is 34.6% of the entire share capital of Metrofile, net of treasury shares. Subject to and post implementation of the Transaction, MICIH will hold 154 999 730 Metrofile Shares, representing approximately 35.6% of the entire issued share capital of Metrofile which is 35.8% of the entire share capital of Metrofile, net of treasury shares.

Subsequent and post implementation of the Transaction MICIH will control in excess of 35% of Metrofile’s issued share capital. In terms of section 123 of the Companies Act, No. 71 of 2008 as amended (the “Companies Act”) MICIH is required to make a mandatory offer to the minority shareholders of Metrofile, offering to acquire their shares at the highest price paid for a Metrofile Share in respect of the Transaction (the “Mandatory Offer”). Regulation 86(4) of the Companies Act Regulations, 2011, as amended (“Companies Regulations”), states that independent holders of more than 50% of the general voting rights of all of the issued securities of an affected company may resolve to waive the benefit of such a mandatory offer to be made (“Waiver”). In this regard, the Transaction contains a condition precedent such that MICIH will not proceed with and partake in the Transaction unless the required Waiver is obtained. We understand that the Takeover Regulation Panel (“TRP”) has been asked to grant such a waiver after approval by Shareholders.

In terms of regulation 86(7) of the Companies Regulations, a waiver requires a fair and reasonable opinion to be included in the Circular. BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed by Metrofile as the independent expert to advise on whether the terms and conditions of the Transaction are fair and reasonable to the minority shareholders of Metrofile.

As at the issue date of this opinion, the share capital of the Company comprises authorised share capital of 500 000 000 Metrofile Shares and issued share capital of 427 084 010 Metrofile Shares. Metrofile Management Service Proprietary Limited holds 1 867 106 Metrofile shares as Treasury shares.

Full details of the Transaction are contained in the circular to Metrofile Shareholders (the “Circular”) to be dated on or about 16 November 2016, which will include a copy of this letter.

The material interests of the directors are set out in section 13 of the Circular and the effect of the Transaction on those interests and persons are set out in this section of the Circular.

RESPONSIBILITY

Compliance with the Companies Act is the responsibility of the directors of Metrofile (“Metrofile Directors” “or Metrofile Board”). Our responsibility is to report on the fairness and reasonableness of the terms and conditions of the Transaction.

EXPLANATION AS TO HOW THE TERMS “FAIR” AND “REASONABLE” APPLY IN THE CONTEXT OF THE TRANSACTION

The “fairness” of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value ceded by shareholders.

The Transaction may thus be said to be fair to minority Shareholders if the value of a Metrofile Share after the Transaction is more than the value of a Metrofile Share prior to the Transaction, i.e. the Transaction is value-accretive to minority Shareholders.

An assessment of reasonableness is generally based on qualitative considerations surrounding the Transaction.

INFORMATION UTILISED

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

- The subscription agreement entered into between Metrofile and MICIH (the “Subscription Agreement”);
- The terms and conditions of the Transaction, as set out in the Circular;
- Audited financial information of Metrofile for the years ended 30 June 2014 and 2015
- Preliminary audited group results for the year ended 30 June 2016;
- Management accounts of Metrofile for the period ended 30 September 2016;
- Budget for the year ending 30 June 2017;
- Discussions with Metrofile Directors and management regarding the historical, budget and forecast financial information;
- Discussions with Metrofile Directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- Publicly available information relating to the information management solutions sector in general; and
- Publicly available information relating to Metrofile that we deemed to be relevant, including company announcements and media articles.

The information above was secured from:

- Directors and management of Metrofile 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 Metrofile.

PROCEDURES PERFORMED

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness and reasonableness of the Transaction:

- Reviewed the terms and conditions of the Transaction;
- Reviewed the terms and conditions of the Subscription Agreement;
- Reviewed the audited and unaudited financial information related to Metrofile;
- Reviewed and obtained an understanding from management as to the forecast financial information of Metrofile and assessed the achievability thereof by considering historical information as well as macro-economic and sector-specific data;
- Held discussions with Metrofile Directors and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- Assessed the long-term potential of Metrofile with respect to the company’s operations,;
- Evaluated the relative risks associated with Metrofile and the South African and global information management solutions sectors;
- Reviewed certain publicly available information relating to Metrofile, comparable publicly traded companies and the industry in which the company operates that we deemed to be relevant, including company announcements and media articles;
- 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 Metrofile operates, and to analyse external factors that could influence the business; and

- Held discussions with the directors and management of Metrofile and their advisers as to their strategy and the rationale for the Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends.

OTHER CONSIDERATIONS

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

- Consideration of the rationale for the Transaction as set out in the Circular.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION UTILISED AND ASSUMPTIONS

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

- Reliance on audit reports in the financial statements of Metrofile;
- 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 Metrofile and the economic environment in which the Company operates.

LIMITING CONDITIONS

This opinion is provided in connection with and for the purposes of the Transaction. The opinion is prepared solely for this purpose and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. The opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders. Should a Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Shareholder's decision as to whether to vote in favour of any transaction may be influenced by his particular circumstances.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Metrofile, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Metrofile 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 Metrofile will correspond to those projected. Where practicable, we have however compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of Metrofile.

We have also assumed that the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Metrofile and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the Transaction will be legally enforceable.

VALUATION

Metrofile creates scaled and customised information management solutions for large corporations, public sector organisations and micro enterprises across Africa and the Middle East.

We performed a valuation of Metrofile Shares pre-Transaction and a valuation of Metrofile Shares post-Transaction.

The valuation of Metrofile was performed by applying the discounted cash flow methodology. In addition, we considered the market approach (based on financial data for comparable publicly traded companies) as a secondary methodology to support the results of the discounted cash flow valuation. The valuation of Metrofile was performed on a consolidated basis, using consolidated cash flow forecasts.

The valuation was performed taking cognisance of risk and other market and industry factors affecting the Company.

Key internal value drivers to the discounted cash flow valuation of Metrofile included the discount rate, revenue growth, gross profit margins, growth in operating expenses, earnings before interest, tax, depreciation and amortisation (“EBITDA”) margins, investment in working capital and capital expenditure requirements.

External value drivers include key macro-economic parameters such as, GDP growth, interest rates, exchange rates, headline inflation rates, and prevailing market and industry conditions in the sectors in which Metrofile operate were also considered in assessing the forecast cash flows and risk profile of Metrofile.

In addition sensitivity analyses were performed in respect of revenue growth and the weighted average cost of capital by increasing and decreasing the terminal growth rate of Metrofile by a maximum of 1% and the WACC range by a maximum of 1%. The revenue growth rate and WACC sensitivity analysis did not indicate a sufficient effect on the valuation of Metrofile to alter our opinion in respect of the Transaction.

Key internal value drivers to the capitalisation of maintainable earnings valuation included an assessment of non-recurring transactions included in historical results, operating margins and expected future growth in the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of Metrofile, as well as an assessment of market-related earnings multiples applicable to comparable companies in the industry in which the Company operates.

VALUATION RESULTS

In undertaking the procedures and valuation exercise above, we determined:

- a valuation range for Metrofile Shares of 427 cents to 472 cents per Metrofile Share before implementation of the Transaction with a most likely value of 448 cents per Metrofile Share; and
- a valuation range for Metrofile Shares of 429 cents to 472 cents per Metrofile Share post implementation of the Transaction with a most likely value of 449 cents per Metrofile Share.

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

OPINION

BDO Corporate Finance has considered the terms and conditions of the Transaction and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction, based on quantitative considerations, are fair to the Metrofile Shareholders.

We are of the opinion that the terms and conditions of the Transaction are reasonable from the perspective of the Metrofile Shareholders.

Our opinion is necessarily based upon the information available to us up to 10 November 2016, including in respect of the financial, regulatory, securities 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, other approvals and consents required in connection with the Transaction have been or will be timeously fulfilled and/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.

INDEPENDENCE, COMPETENCE AND FEES

We confirm that we have no direct or indirect interest in Metrofile Shares or the Transaction. We also confirm that we have the necessary qualifications and competence to provide the Fair and Reasonable Opinion on the Transaction.

Furthermore, we confirm that our professional fees, of R150,000 (excluding VAT), are not contingent upon the success of the Transaction.

CONSENT

We consent to the inclusion of this letter and reference to our opinion in the Circular to be issued to the shareholders of Metrofile in the form and context in which it appears.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis
Director
22 Wellington Road
Parktown
2193

**EXTRACT OF AUDITED HISTORICAL FINANCIAL INFORMATION OF
METROFILE FOR THE YEARS ENDED 30 JUNE 2014, 30 JUNE 2015,
30 JUNE 2016**

Complete sets of the financial statements are available on the Metrofile website:

www.metrofileholdings.com

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS and International Accounting Standards as issued by the International Accounting Standards Board and IFRS Interpretations Committee, interpretations applicable to companies reporting under IFRS, the Companies Act, the Listings Requirements and the South African Institute of Chartered Accountants Reporting guides as issued by the Accounting Practices Committee.

Accounting policies

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. Accounting policies have been consistent throughout the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016. Certain accounting pronouncements have become effective during the 30 June 2016 financial year; however, these do not have an impact on either transactions or disclosures.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014, 30 JUNE 2015 AND 30 JUNE 2016

Figures in Rand	2016 R'000	2015 R'000	2014 R'000
Assets			
Non-Current Assets	722 858	660 262	593 583
Property	292 835	258 349	234 673
Plant and equipment	204 317	202 051	186 024
Goodwill	218 573	194 615	171 666
Intangible assets	1 868	-	-
Investment in associate	449	-	-
Long term receivables	559	1 574	-
Deferred taxation	4 257	3 673	1 220
Current Assets	227 506	281 405	216 583
Inventories	19 443	14 549	12 947
Trade receivables	136 293	121 245	92 798
Other receivables	46 053	25 094	75 073
Bank balances	25 717	120 517	35 765
Total Assets	950 364	941 667	810 166
Equity and Liabilities			
Equity	660 341	630 407	567 822
Equity attributable to owners of the parent	643 398	617 520	561 794
Non-controlling interest	16 943	12 887	6 028
Liabilities			
Non-Current Liabilities	144 942	175 160	107 886
Interest-bearing liabilities	123 297	156 125	92 696
Deferred taxation liability	21 645	19 035	15 190
Current Liabilities	145 081	136 100	134 458
Trade and other payables	69 658	71 305	56 062
Deferred revenue	13 427	12 331	11 237
Bank overdraft	345	49	485
Provisions	2 678	2 436	2 216
Taxation	9 768	2 616	16 332
Interest-bearing liabilities	49 205	47 363	48 126
Total Equity and Liabilities	950 364	941 667	810 166
Net asset per share (cents)	151.4	144.6	132.7

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014, 30 JUNE 2015 AND 30 JUNE 2016

Figures in Rand	2016 R'000	2015 R'000	2014 R'000
Revenue	777 577	701 898	675 260
Earnings before interest, taxation, depreciation and amortisation	235 024	218 426	252 859
Depreciation	(35 737)	(31 636)	(30 459)
Operating profit before finance costs	199 287	186 790	222 400
Net finance costs	(14 687)	(13 084)	(12 630)
Finance income	4 646	7 492	1 380
Finance costs	(19 333)	(20 576)	(14 010)
Profit before taxation	184 600	173 706	209 770
Taxation	(48 949)	(46 244)	(53 674)
Profit for the year	135 651	127 462	156 096
Attributable to:			
Owners of the parent	130 129	124 620	154 808
Non-controlling interests	5 522	2 842	1 288
Other comprehensive income for the year net of tax	656	(773)	3087
Hedge accounting for fair value on interest rate swaps	–	133	960
Currency movement on translation of foreign subsidiary	656	(906)	2 127
Total comprehensive income for the year	136 307	126 689	159 183
Attributable to:			
Owners of the parent	130 551	123 812	156 803
Non-controlling interests	5 756	2 877	2 380
Basic earnings per ordinary share (cents)	30.6	29.3	36.7
Diluted earnings per ordinary share (cents)	30.6	29.2	36.3

STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED 30 JUNE 2014, 30 JUNE 2015 AND 30 JUNE 2016

R'000 Figures in Rand	Share capital	Share premium	Accumulated profits/ (losses)	Other reserves	Total equity before non- controlling interest	Non- controlling interest	Total
Balance at 30 June 2013	2 583	555 885	(106 991)	5 887	457 364	3 648	461 012
Shares issued in terms of share schemes	18	15 008	-	-	15 026	-	15 026
IFRS 2 Equity reserve relating to share schemes	-	-	-	4 570	4 570	-	4 570
Share scheme settlement	-	-	(12 763)	(2 263)	(15 026)	-	(15 026)
Dividends declared	-	-	(56 943)	-	(56 943)	-	(56 943)
Total comprehensive income for the for the year ended 30 June 2014	-	-	154 808	1 995	156 803	2 380	159 183
Balance at 30 June 2014	2 601	570 893	(21 889)	10 189	561 794	6 028	567 822
Shares issued in terms of share schemes	24	18 043	-	-	18 067	-	18 067
IFRS 2 Equity reserve relating to share schemes	-	-	-	4 211	4 211	-	4 211
Share scheme settlement	-	-	(12 474)	(5 593)	(18 067)	-	(18 067)
Minority contribution on acquisition of subsidiary	-	-	-	-	-	3 982	3 982
Dividends declared	-	-	(72 297)	-	(72 297)	-	(72 297)
Total comprehensive income for the year ended 30 June 2015	-	-	124 620	(808)	123 812	2 877	126 689
Balance at 30 June 2015	2 625	588 936	17 960	7 999	617 520	12 887	630 407
Purchase of treasury shares	-	(9 577)	-	-	(9 577)	-	(9 577)
IFRS 2 Equity reserve relating to share schemes	-	-	-	4 440	4 440	-	4 440
Share scheme settlement	-	-	-	(1 494)	(1 494)	-	(1 494)
Minority contribution on acquisition of subsidiary	-	-	-	-	-	(1 700)	(1 700)
Dividends declared	-	-	(98 042)	-	(98 042)	-	(98 042)
Total comprehensive income for the year ended 30 June 2016	-	-	130 129	422	130 551	5 756	136 307
Balance at 30 June 2016	2 625	579 359	50 047	11 367	643 398	16 943	660 341

STATEMENT OF CHANGES IN CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014, 30 JUNE 2015 AND 30 JUNE 2016

Figures in Rand	2016 R'000	2015 R'000	2014 R'000
Cash generated from operations before net working capital changes	229 066	222 315	252 044
(Increase)/decrease in net working capital	(41 208)	38 211	(67 349)
Increase in normal net working capital	(41 208)	(25 823)	(3 315)
Decrease in net normal working capital due to insurance claim	–	64 034	(64 034)
Cash generated from operations	187 858	260 526	184 695
Net finance costs paid	(14 687)	(13 084)	(12 630)
Dividends paid	(97 835)	(72 297)	(56 943)
Normal taxation paid	(39 724)	(58 568)	(40 277)
Net cash inflow from operating activities	35 612	116 577	74 845
Net cash outflow from investing activities			
Investment in property: expansion	(21 786)	(6 354)	(43 712)
Investment in plant and equipment: expansion	(44 578)	(35 536)	(33 958)
Investment in property: replacement	–	(17 322)	–
Investment in plant and equipment: replacement	(7 192)	(7 952)	(16 450)
Proceeds on disposal of property, plant and equipment	1 506	1 684	34 140
Additions to Intangible assets	(1 967)	–	–
Investment in associate company	(449)	–	–
Acquisition of subsidiary	(25 256)	(28 575)	–
Net cash outflow from financing activities			
Loans repaid	(30 986)	(35 253)	(40 907)
Loans drawn down	–	97 919	36 000
Net (decrease)/increase in cash and cash equivalents	(95 096)	85 188	9 958
Cash and cash equivalents at the beginning of the year	120 468	35 280	25 322
Cash and cash equivalents at the end of the year	25 372	120 468	35 280
Represented by:			
Bank balances	25 717	120 517	35 765
Bank overdrafts	(345)	(49)	(485)

METROFILE SHARE PRICE HISTORY

All terms defined in the Circular to which this Annexure 3 is attached shall bear the same meanings in this Annexure 3.

The table below sets out the aggregate volumes and values of Metrofile Shares traded on the JSE, and the highest and lowest prices traded, for each month over the 12 months prior to the Last Practicable Date and for each day over the 30 Trading Days prior to the Last Practicable Date.

	High (Cents)	Low (Cents)	Value (Rand)	Volume (Shares)
<i>Highest and lowest prices for each month and aggregated</i>				
2015				
November	498	465	7 245 673	1 499 702
December	490	430	39 113 314	8 190 842
2016				
January	480	400	10 131 490	2 306 497
February	430	370	35 501 515	8 808 233
March	451	405	16 075 204	3 750 226
April	495	445	16 375 955	3 453 033
May	480	455	20 151 753	4 275 884
June	490	449	14 882 674	3 190 899
July	510	449	11 369 529	2 362 152
August	510	465	45 175 589	9 165 082
September	530	460	118 760 341	25 475 677
October	500	460	22 935 704	4 821 028
<i>Highest and lowest daily prices and daily aggregated values</i>				
29 September	510	476	80 001	16 301
30 September	494	483	100 605 043	21 837 662
03 October	490	480	3 756 947	774 947
04 October	500	485	1 917 736	394 017
05 October	481	460	1 945 091	413 938
06 October	468	463	298 782	64 107
07 October	470	465	793 789	169 767
10 October	475	468	696 226	148 110
11 October	478	470	608 160	128 196
12 October	480	475	1 086 291	227 762
13 October	480	479	851 600	177 421
14 October	483	471	295 509	62 011
17 October	477	475	177 170	37 143
18 October	477	472	944 433	198 681
19 October	475	473	537 833	113 233
20 October	475	474	459 585	96 765
21 October	475	474	183 842	38 704
24 October	475	474	158 355	33 391
25 October	475	470	137 915	29 151
26 October	475	470	33 362	7 071
27 October	475	470	5 975 954	1 265 577
28 October	475	465	1 359 636	290 164
31 October	478	475	717 488	150 872
01 November	480	478	861 898	180 239
02 November	479	475	35 695	7 500
03 November	479	475	600 979	125 805
04 November	482	479	121 696	25 400
07 November	483	460	93 827	19 700
08 November	480	455	213 107	45 745
09 November*	475	460	404 358	86 718

* Last Practicable Date



Holdings Limited

Metrofile Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1983/012697/06)

Share code: MFL ISIN: ZAE000061727

("Metrofile" or "the Company")

NOTICE OF GENERAL MEETING OF METROFILE SHAREHOLDERS

All terms defined in the Circular to which this notice of General Meeting is attached shall bear the same meanings in this notice of General Meeting and, in particular, in the resolutions set out below.

Notice is hereby given that a meeting of Metrofile Shareholders will be held at Summer Place, 69 Melville Road, Hyde Park, 2196, Gauteng at 9:30 on Wednesday, 14 December 2016 or any other adjourned or postponed date and time determined in accordance with the provisions of section 64(11) of the Companies Act and the Metrofile memorandum of incorporation, as read with the Listings Requirements, for Shareholders to consider and if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.

Special Resolution Number 1 – SPECIFIC AUTHORITY TO ISSUE SHARES FOR CASH

“**Resolved that**, subject to the passing of Ordinary Resolution 1 and Special Resolution 2, 3 and 4, the Company is hereby authorised to allot and issue 8 056 258 new ordinary par value shares ranking *pari passu* with existing issued ordinary shares in the Company, at an issue price of R4.87 per share for a total consideration of R39 233 976.46, to MICIH, as detailed in paragraph 6 of the Circular in accordance with the terms and subject to the conditions set out in the Subscription Agreement, and that all of the ordinary shares referred to above be and are hereby placed under the control of the Metrofile Directors for the allotment and issue as described above.”

The reason for Special Resolution 1 is to approve and authorise the Specific Issue as a specific issue of shares for cash as required by the Listings Requirements.

In terms of paragraph 5.51(g) of the Listings Requirements and article 20.10 of the memorandum of incorporation of Metrofile, Special Resolution 1 will require the support of at least 75% of the total number of votes exercised by Metrofile Shareholders, present in person or by proxy and entitled to vote on such resolution at the General Meeting convened to approve such resolution, on which any parties and their Associates participating in the Specific Issue have not voted or whose votes have not been counted, to be approved. MICIH and any of its Associates will accordingly not vote on Special Resolution 1.

Special Resolution Number 2 – AUTHORITY TO ISSUE SHARES IN TERMS OF SECTION 41(1) OF THE COMPANIES ACT

“**Resolved that**, subject to the passing of Ordinary Resolution 1 and Special Resolution 1, 3 and 4, to the extent required by section 41(1) of the Companies Act, the Company be and is hereby authorised to issue 8 056 258 new ordinary par value shares to an Entity (being MICIH) that may be (a) related to CN Pongweni (being a non-executive Metrofile Director) and/or MS Bomela (being Deputy Chairman of Metrofile) and/or (b) related or inter-related to the Company, in terms of the Specific Issue as detailed in paragraph 6 of the Circular.”

Special Resolution 2 is required to be approved in terms of section 41(1) of the Companies Act and article 8.2.1 of the memorandum of incorporation of Metrofile as Metrofile will, in terms of the Specific Issue be issuing Shares to an Entity that may be related to Metrofile Directors and/or related or inter-related to the Company.

The resolution requires more than 75% of all voting rights exercised by Metrofile Shareholders present at or represented by proxy and entitled to vote at the General Meeting to be cast in favour of this resolution. As Special Resolution 2 is a Suspensive Condition to the Specific Issue, MICIH and any of its Associates will not vote on Special Resolution 2.

Special Resolution Number 3 – AUTHORITY FOR FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

“**Resolved that**, subject to the passing of Ordinary Resolution 1 and Special Resolutions 1, 2 and 4, to the extent required by section 44 of the Companies Act, and to the extent that any provision of the Subscription Agreement constitutes financial assistance given in connection with the subscription of securities in Metrofile (including without limitation, the giving of warranties and/or the payment of legal and other transaction costs to be borne by Metrofile in respect of the Specific Issue as detailed in paragraph 7 of the Circular), Metrofile be and is hereby authorised to provide such financial assistance and any such financial assistance be and is hereby approved, provided that the Metrofile Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Metrofile Board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.”

The reason for Special Resolution 3 is to grant the Board the authority to authorise the Company to provide financial assistance to the extent that any provision in the Subscription Agreement constitutes financial assistance (including without limitation, the giving of warranties and/or the payment of legal and other transaction costs to be borne by Metrofile in respect of the Specific Issue as detailed in paragraph 7 of the Circular), for the purpose of, or in connection with, subscription of Metrofile Shares in terms of the Specific Issue.

The resolution requires more than 75% of all voting rights exercised by Metrofile Shareholders present at or represented by proxy and entitled to vote at the General Meeting to be cast in favour of this resolution. As Special Resolution 3 is a Suspensive Condition to the Specific Issue, MICIH and any of its Associates will not vote on Special Resolution 3.

Special Resolution Number 4 – AUTHORITY FOR FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

“**Resolved that**, subject to the passing of Ordinary Resolution 1 and Special Resolutions 1, 2 and 3, to the extent required by section 45 of the Companies Act, and to the extent that any provision of the Subscription Agreement constitutes financial assistance (including without limitation, the giving of warranties and/or the payment of legal and other transaction costs to be borne by Metrofile in respect of the Specific Issue as detailed in paragraph 7 of the Circular) to a person related or inter-related to Metrofile and/or to any of its directors, Metrofile be and is hereby authorised to provide such financial assistance and any such financial assistance be and is hereby approved, provided that the Metrofile Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Metrofile Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.”

The reason for Special Resolution 4 is to grant the Board the authority to authorise the Company to provide financial assistance to MICIH in so far as MICIH may be related or inter-related to the Company and/or to any of its directors and to the extent that any provision in the Subscription Agreement constitutes financial assistance (including without limitation, the giving of warranties and/or the payment of legal and other transaction costs to be borne by Metrofile in respect of the Specific Issue as detailed in paragraph 7 of the Circular) to a person related or inter-related to Metrofile and/or to any of its directors.

The resolution requires more than 75% of all voting rights exercised by Metrofile Shareholders present at or represented by proxy and entitled to vote at the General Meeting to be cast in favour of this resolution. As Special Resolution 3 is a Suspensive Condition to the Specific Issue, MICIH and any of its Associates will not vote on Special Resolution 4.

Ordinary Resolution Number 1 – WAIVER OF MANDATORY OFFER

“**Resolved that**, subject to the passing of Special Resolutions 1, 2, 3 and 4, Metrofile Shareholders waive their right to require MICIH and, if applicable, any other party which may be Acting in Concert with it, to make an offer for such Shareholders’ Metrofile Shares, as a result of the Subscription for 8 056 258 Metrofile shares by MICIH (as further detailed in the Circular).”

The reason for Ordinary Resolution 1 is to exempt MICIH (or, if applicable, any person Acting in Concert with it) from the obligation to make a Mandatory Offer. MICIH owns 146 943 472 Metrofile Shares, which equates to approximately 34.4% of the issued share capital of Metrofile before the implementation of the Specific Issue. The implementation of the Specific Issue will result in MICIH holding approximately 35.6% of the issued share capital of Metrofile immediately after the implementation of the Specific Issue. In the circumstances, the Specific Issue would ordinarily require a Mandatory Offer by MICIH and, if applicable, any other party Acting in Concert with it to acquire the remaining Metrofile Shares not held by MICIH following the implementation of the Specific Issue. However, Regulation 86(4) of the Companies Regulations, permits a waiver to be given to an offeror (or, if applicable, any person Acting in Concert with it) from the obligation to make a Mandatory Offer if such waiver is approved by Independent Shareholders, in person or by proxy, holding more than 50% of the general voting rights of all the issued shares of the Company in a general

meeting. If the Suspensive Conditions envisaged in the Subscription Agreement are fulfilled or waived (where capable of waiver) then there will be no requirement for MICIH and, if applicable, any other party Acting in Concert with it, to make a Mandatory Offer to the holders of the remaining securities of Metrofile. Conversely, if any of the Suspensive Conditions envisaged in the Subscription Agreement are not fulfilled or waived (where capable of waiver) then the Specific Issue will fail in its entirety and there will be no requirement for MICIH and, if applicable, any other party Acting in Concert with it, to make a Mandatory Offer to the holders of the remaining securities of Metrofile.

The minimum percentage of voting rights that is required for the adoption of Ordinary Resolution 1 is more than 50% of all voting rights exercised by Independent Shareholders present at or represented by proxy at the General Meeting. MICIH and any of its Associates are not Independent Shareholders and will not vote on Ordinary Resolution 1.

Quorum

In accordance with the quorum requirements contained in article 20.22 of Metrofile's memorandum of incorporation, the General Meeting may not commence unless at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting are present in person or by proxy. In addition, the General Meeting shall not commence unless at least three Metrofile Shareholders who are entitled to vote are personally present or, in the case of a Metrofile Shareholder which is a body corporate, are represented at the General Meeting.

In accordance with the quorum requirements in article 20.23 of Metrofile's memorandum of incorporation, a matter to be decided on may not be considered unless those who fulfilled the quorum requirements above continue to be present in person or by proxy.

Voting

Voting shall be on a poll and every Metrofile Shareholder who is present in person, by proxy or represented at the shareholders' meeting shall have one vote for each Share held by him.

MICIH and any of its Associates will not vote on Ordinary Resolution 1 as well as Special Resolution 1, 2, 3 and 4 due to MICIH's participation in the Specific Issue.

Record date and Identification

The record date in terms of section 59 of the Companies Act for Shareholders to be recorded in the Register in order to be able to attend, participate and vote at the General Meeting is Friday, 9 December 2016.

The record date in terms of the Companies Act, for Shareholders to be recorded in the Register to be able to receive the Circular is Friday, 11 November 2016.

Section 63(1) of the Companies Act requires meeting participants to provide the person presiding at the meeting with satisfactory identification. The Company will regard the presentation of participants' original driver's licences, identity documents or passports to be "satisfactory documentation".

Electronic participation by Shareholders

Should any Shareholder (or any proxy for a Shareholder) wish to participate in the General Meeting by way of electronic participation, that Shareholder should make application in writing (including details as to how the Shareholder or its representative (including its proxy) can be contacted) to so participate to the Transfer Secretaries, at their address below, to be received by the Transfer Secretaries at least five Business Days prior to the General Meeting in order for the Transfer Secretaries to arrange for the Shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the Transfer Secretaries for the purposes of section 63(1) of the Companies Act and for the Transfer Secretaries to provide the Shareholder (or its representative) with details as to how to access any electronic participation to be provided. The costs of accessing any means of electronic participation provided by the Company will be borne by the Shareholder so accessing the electronic participation.

Proxies

A Metrofile Shareholder entitled to attend, speak and vote at the General Meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a Shareholder. A proxy may NOT delegate the authority granted to the proxy to act on behalf of the Shareholder to another person.

A Form of Proxy is attached for the convenience of Certificated Shareholders and Own Name Dematerialised Shareholders who are unable to attend the General Meeting, but who wish to be represented thereat. In order to be valid, duly completed Forms of Proxy are requested to be received by Metrofile's Transfer Secretaries, Computershare, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), by no later than 9:30 on Monday, 12 December 2016. Proxy Forms not lodged with the Transfer

Secretaries may be handed to the chairman of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.

Shareholders' rights regarding proxies in terms of section 58 of the Companies Act are as follows:

- (1) At any time, a Shareholder may appoint any individual, including an individual who is not a Shareholder, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the Shareholder; or
 - (b) give or withhold written consent on behalf of the Shareholder to a decision contemplated in section 60 of the Companies Act.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the Shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c) below, or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
- (3) Except to the extent that the memorandum of incorporation of a Company provides otherwise:
 - (a) a Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the Shareholder; and
 - (b) a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the Shareholder at a shareholders meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the Shareholder chooses to act directly and in person in the exercise of any rights as a Shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a Shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii) above.
- (6) A proxy is entitled to exercise, or abstain from exercising, any voting right of the Shareholder without direction, except to the extent that the instrument appointing the proxy otherwise provides.

Dematerialised Shareholders other than with own-name registration who have not been contacted by their CSDP or Broker with regard to how they wish to cast their votes, should contact their CSDP or Broker and instruct their CSDP or Broker as to how they wish to cast their votes at the General Meeting in order for their CSDP or Broker to vote in accordance with such instructions. If such Dematerialised Shareholders wish to attend the General Meeting in person, they must request their CSDP or Broker to issue the necessary letter of representation to them. This must be done in terms of the Custody Agreement entered into between such Dematerialised Shareholders and the CSDP or Broker.

By order of the Metrofile Board

Metrofile Holdings Limited

CS Seabrooke

Chairman

Wednesday, 16 November 2016

Registered office

41 Wordsworth Avenue

Senderwood, 2007



Holdings Limited

Metrofile Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1983/012697/06)

Share code: MFL ISIN: ZAE000061727

("Metrofile" or "the Company")

FORM OF PROXY: GENERAL MEETING OF METROFILE SHAREHOLDERS

FOR COMPLETION BY METROFILE SHAREHOLDERS WHO HAVE NOT YET DEMATERIALIZED THEIR METROFILE SHARES OR WHO HAVE DEMATERIALIZED THEIR METROFILE SHARES WITH "OWN NAME" REGISTRATION ONLY

If you wish to appoint a proxy to act on your behalf at the General Meeting to be held at Summer Place, 69 Melville Road, Hyde Park, 2196, Gauteng at 9:30 on Wednesday, 14 December 2016 and at any adjournment or postponement thereof, please complete and return this Form of Proxy. (Also see the notes overleaf).

All terms defined in the Circular to which this Form of Proxy is attached shall bear the same meanings herein.

Note: If your Dematerialised Shares are held through a CSDP or Broker and you have not provided the nominee with a general mandate to act on your behalf at shareholder meetings, and you wish to cast your vote at the General Meeting or you want to attend the General Meeting in person, please contact your CSDP or Broker.

I/WE (Full names in BLOCK LETTERS please)

of (insert address)

Telephone number

Cell phone number

email address

being the holder(s) of Metrofile Shares, hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the General Meeting,

as my/our proxy to act for me/us and on my/our behalf at the General Meeting which will be held for the purpose of considering, and if deemed fit, passing the special and ordinary resolutions, with or without modification, to be proposed thereat and at any adjournment or postponement thereof and to vote for and/or against the special and ordinary resolutions and/or abstain from voting in respect of the Metrofile Shares, as applicable, registered in my/our name/s as follows:

Please indicate with an "X" the instructions to your proxy in the spaces provided below. In the absence of such indication the proxy will be entitled to exercise his/her discretion.

	FOR	AGAINST	ABSTAIN
Special Resolution Number 1: Specific Authority to Issue Shares for Cash			
Special Resolution Number 2: Authority to Issue Shares in Terms of Section 41(1) of the Companies Act			
Special Resolution Number 3: Authority for Financial Assistance in terms of section 44 of the Companies Act			
Special Resolution Number 4: Authority for Financial Assistance in terms of section 45 of the Companies Act			
Ordinary Resolution Number 1: Waiver of Mandatory Offer			

Signed at _____ **on** _____ **2016**

Signature

Assisted by (where applicable)

Name

Capacity

Signature

(Please print in BLOCK LETTERS)

Please read the notes below.

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

Please note that in terms of section 58 of the Companies Act:

- this Form of Proxy must be dated and signed by the Metrofile Shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a Metrofile Shareholder, to participate in and speak and vote at a shareholders' meeting on your behalf;
- this Form of Proxy must be delivered to the Company, or to the Transfer Secretaries of the Company, namely Computershare Investor Services Proprietary Limited, details of which can be found in note 5 to this Form of Proxy, before your proxy exercises any of your rights as a Shareholder at the General Meeting;
- the appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a Shareholder at the General Meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this Form of Proxy;
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid;
- if this Form of Proxy has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's memorandum of incorporation to be delivered by the Company to you will be delivered by the Company to you or your proxy or proxies, if you have directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the General Meeting, but only as directed by you on this Form of Proxy;
- the appointment of your proxy remains valid only until the end of the General Meeting or any adjournment or postponement thereof or for a period of 6 (six) months, whichever is shortest, unless it is revoked by you before then on the basis set out above.

The Form of Proxy shall be valid and shall apply to any adjournment or postponement of the General Meeting to which it relates and shall apply to any resolution proposed at the General Meeting to which it relates and to such resolution including any such resolution to be voted on at any adjourned or postponed meeting of the General Meeting to which the proxy relates, unless the proxy is revoked before the adjourned or postponed meeting.

NOTES TO THE FORM OF PROXY

1. Metrofile Shareholders who hold Dematerialised Shares other than with own-name registration:
 - 1.1 who wish to attend the General Meeting in person may do so by requesting the registered holder, being their CSDP, broker or nominee, to issue them with a letter of representation and/or form of proxy;
 - 1.2 who do not wish to attend the General Meeting in person but wish to vote (or abstain from voting) thereat must provide the registered holder, being their CSDP, broker or nominee, with their instructions. The instructions must reach the registered holder to exercise such vote on your behalf.
2. If no proxy is inserted in the spaces provided, then the chairman shall be deemed to be appointed as the proxy to vote or abstain as the chairman deems fit.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the Form of Proxy will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all of the Shareholder's votes exercisable at the General Meeting.
4. A Metrofile Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Metrofile Shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or by his/her proxy. A proxy shall be entitled to demand that voting take place on a poll.
5. Forms of Proxy must be lodged at the registered office of the Company, 41 Wordsworth Avenue, Senderwood, Johannesburg, 2007 or posted to the Company Secretary at PO Box 40264, Cleveland, 2022, or lodged with or posted to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107, South Africa).
6. Forms of Proxy must be received or lodged by no later than 9:30 on Monday, 12 December 2016, being 48 hours before the General Meeting to be held at Summer Place, 69 Melville Road, Hyde Park, 2196, Gauteng at 9:30 on Wednesday, 14 December 2016, for administrative reasons only. A Form of Proxy not lodged with the Transfer Secretaries may be handed to the chairman of the General Meeting before its due commencement.
7. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Company Secretary or waived by the chairman of the General Meeting if he/she is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or brokers registered in the Company's securities, sub-register voting on instructions from Beneficial Owners of Shares registered in the Company's securities sub-register, are requested that they identify the Beneficial Owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company Secretary or to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107, South Africa), together with this Form of Proxy.
8. Where Metrofile Shares are held jointly, all joint holders are required to sign this Form of Proxy.
9. This Form of Proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer power generally to act at the General Meeting of Metrofile Shareholders in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
10. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of Metrofile Shares in respect of which the proxy was given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by Metrofile before the commencement of the meeting, adjourned meeting or postponed meeting at which the proxy is used.
11. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies, but will only be validly made if such alteration or correction is accepted by the chairman of the General Meeting.
12. The chairman of the General Meeting may accept or reject any Form of Proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the chairman is satisfied as to the manner in which the Metrofile Shareholder wishes to vote.
13. This Form of Proxy shall not be valid after the expiration of six months from the date when it was signed.
14. The completion and lodging of this Form of Proxy will not preclude the relevant Metrofile Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Metrofile Shareholder wish to do so.
15. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting, unless withdrawn by the Metrofile Shareholder.
16. If the General Meeting is adjourned or postponed then Forms of Proxy that have not yet been submitted should be lodged with the Transfer Secretaries by no later than 48 hours before the adjourned or postponed General Meeting, but may nonetheless be handed to the chairman of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Metrofile Shareholder at the adjourned or postponed General Meeting.
17. 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 Company Secretary.

