

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**THE ATTENTION OF SHAREHOLDERS IS DRAWN TO THE FACT THAT IF THEY DO NOT ELECT TO RECEIVE THE CASH DIVIDEND, THEY WILL BE DEEMED TO HAVE ELECTED TO RECEIVE THE SCRIP DISTRIBUTION**

This Circular should be read with particular attention to the "Action Required by Shareholders" section of this Circular, which sets out the action required of holders ("**Shareholders**") of Metrofile ordinary shares of 0.6146 cent each ("**Metrofile Ordinary Shares**") with regard to this Circular.

**If you are in any doubt as to the action you should take, please consult your broker, Central Securities Depository Participant ("CSDP"), banker, accountant, legal adviser or other professional adviser immediately.**

If you have disposed of all of your Metrofile Ordinary Shares on or before the last day to trade, being Monday, 15 April 2019 ("**Last Day To Trade**"), this Circular should be handed to the purchaser to whom, or the CSDP, broker, banker, attorney or agent through whom you disposed of such Metrofile Ordinary Shares.



## **METROFILE HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

Registration number 1983/012697/06

JSE ordinary share code: MFL

ISIN: ZAE000061727

("Metrofile")

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# **CIRCULAR TO SHAREHOLDERS ("Circular")**

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regarding:

**A SCRIP DISTRIBUTION OR, AS AN ALTERNATIVE, AN ELECTION TO RECEIVE  
A CASH DIVIDEND**

including:

**A FORM OF ELECTION (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)**

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**Transaction Advisor**



**Sponsor**



**Standard Bank**

**Transfer Secretaries**



Date of issue: Monday, 1 April 2019

*This Circular is available in English only and copies hereof may be obtained from the registered office of Metrofile, which is set out in this Circular, during normal business hours on business days during the period from Monday, 1 April 2019 up to and including Thursday, 18 April 2019, both days inclusive.*

*This Circular will also be available in electronic form on the Company's website [www.metrofilegroup.com](http://www.metrofilegroup.com) from Monday, 1 April 2019.*

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## SALIENT DATES AND TIMES

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2019

Interim results released on the Stock Exchange News Service (“SENS”) of the JSE Limited (“JSE”)	Friday, 15 March
Interim results published in the press	Monday, 18 March
Scrip Distribution announcement released on SENS on	Wednesday, 20 March
Scrip Distribution announcement released in the press on	Friday, 22 March
Posting of Circular and form of election released on SENS by 11:00	Monday, 1 April
Circular and form of election posted to Shareholders and published on the Company’s website, <a href="http://www.metrofilegroup.com">www.metrofilegroup.com</a>	Monday, 1 April
Finalisation of information, including the ratio applicable to the Scrip Distribution, released on SENS by 11:00	Thursday, 4 April
Finalisation of information, including the ratio applicable to the Scrip Distribution, published in the press	Friday, 5 April
Last Day to Trade in order to be eligible to participate in the Scrip Distribution/ Cash Dividend alternative (“CUM”)	Monday, 15 April
Metrofile Ordinary Shares trade “Ex” the entitlement to the Scrip Distribution/ Cash Dividend	Tuesday, 16 April
Maximum listing of Metrofile Ordinary Shares	Tuesday, 16 April
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the Volume Weighted Average Price (“VWAP”) of Metrofile Ordinary Shares traded on the JSE on Tuesday, 16 April 2019, discounted by 10%, by 11:00	Wednesday, 17 April
Last day to elect the Cash Dividend alternative <i>in lieu</i> of the Scrip Distribution, by 12:00 for Certificated Shareholders and for Dematerialised Shareholders (in accordance with the mandate between the Shareholder and their CSDP/broker)	Thursday, 18 April
Record date in respect of the Scrip Distribution/Cash Dividend alternative, offer closes	Thursday, 18 April
Announcement released on SENS in respect of the results of the Scrip Distribution and director’s dealings by 11:00	Tuesday, 23 April
Share certificates posted and electronic funds transfers, and CSDP/broker accounts credited/updated	Tuesday, 23 April
Adjustment to the listing of Metrofile Ordinary Shares based on the results of the Scrip Distribution	Wednesday, 24 April

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### Notes to salient dates:

1. All times provided are South African standard times quoted on a 24-hour basis, unless specified otherwise. The above dates and times are subject to change. If applicable, any changes will be released on SENS and published in the South African press.
2. Share certificates may not be dematerialised or rematerialised between Tuesday, 16 April 2019 and Thursday, 18 April 2019, both days inclusive.

# Metrofile

## METROFILE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

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### Directors

Christopher Stefan Seabrooke\* (*Chairman*)

Pfungwa Gore Serima (*Group CEO*)

Shivan Mansingh (*Group CFO*)<sup>^</sup>

Mary Sina Bomela\*\* (*Deputy Chairman*)

Phumzile Langeni\*\*\*

Lindiwe Evarista Mthimunye\*

Muhammed Zaheer Abdulla\*\*

Graham Dunbar Wackrill\*\*

Sindiswa Victoria Zilwa\*

Leon Rood (alternate)\*

\* *Independent non-executive*

\*\* *Non-executive*

\*\*\* *Lead Independent non-executive*

<sup>^</sup> *Appointed with effect from 1 April 2019*

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## CIRCULAR

### 1. INTRODUCTION

The interim results of Metrofile for the period ended 31 December 2018 were released on SENS on Friday, 15 March 2019 and published in the press on Monday, 18 March 2019. In addition, a declaration announcement relating to the Scrip Distribution was released on SENS on Wednesday, 20 March 2019 and published in the press on Friday, 22 March 2019. In these declaration announcements Metrofile Shareholders were advised that the board of directors of the Company ("**Board**") had resolved to declare a distribution of fully-paid Metrofile Ordinary Shares with a par value of 0.6146 cent each ("**the Scrip Distribution**") to ordinary Shareholders ("**Shareholders**") recorded in the securities register of the Company at the close of business on the Record Date, being Thursday, 18 April 2019.

Shareholders will, however, be entitled to elect to receive a cash dividend of 5 cents per Metrofile Ordinary Share held on the Record Date in respect of all or part of their ordinary shareholding, instead of the Scrip Distribution ("**the Cash Dividend**"). The Cash Dividend will be paid only to those:

- certificated Shareholders whose Forms of Election to receive the Cash Dividend, in respect of all or part of their shareholding, are received by the Transfer Secretaries on or before 12:00 on Thursday, 18 April 2019; and
- dematerialised Shareholders who have instructed their CSDP or broker accordingly and in the manner and time stipulated in their agreement with such CSDP or broker.

The terms of the Scrip Distribution are contained in paragraph 3.1 below.

**Shareholders not electing to receive the Cash Dividend in respect of all or part of their ordinary shareholding will, without any action on their part, be entitled to receive the Scrip Distribution in proportion to their ordinary shareholding as at the close of business on the Record Date and in accordance with the ratio set out in this Circular.**

Metrofile does not accept any responsibility, and will not be held liable, for any action on the part of, or omission by, any CSDP, broker or other agent of any beneficial owner of Metrofile Ordinary Shares.

No payment to Shareholders contemplated in this Circular shall carry interest against the Company.

Furthermore, any reference in this Circular to the Cash Dividend payable to or receivable by Shareholders refers to the amount of such dividend, after the deduction of Dividend Withholding Tax (“**DWT**”), if any, as contemplated in paragraph 3.4 below.

## 2. **RATIONALE**

The Board believes that a Scrip Distribution, with the election to receive the Cash Dividend, allows Metrofile the opportunity to conserve cash to support its ongoing growth initiatives and Shareholders a chance to reinvest whilst still affording Shareholders a choice to receive the Cash Dividend, if preferred.

The Board has, nonetheless, considered and is satisfied that the Group is sufficiently solvent and liquid to support a full Cash Dividend.

## 3. **THE AWARD OF THE SCRIP DISTRIBUTION OR THE ELECTION TO RECEIVE THE CASH DIVIDEND ALTERNATIVE**

### 3.1 **Terms of the Scrip Distribution and the Cash Dividend Alternative**

Shareholders will be entitled to be issued fully-paid Metrofile Ordinary Shares in respect of all or part of their ordinary shareholding as at the close of business on Thursday, 18 April 2019, (“**Record Date**”), in proportion to their ordinary shareholding and to the extent that such Shareholders have not elected to receive the Cash Dividend.

Shareholders will, however, be entitled to elect to receive the Cash Dividend alternative of 5 cents per Metrofile Ordinary Share held on the Record Date, in respect of all or part of their ordinary shareholding and instead of the Scrip Distribution.

The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder’s ordinary shareholding in Metrofile (at the close of business on the Record Date) in relation to the ratio that 5 cents bears to the VWAP of a Metrofile Ordinary Share traded on the JSE during the 10-day trading period ending on Wednesday, 3 April 2019, provided that, where the application of this ratio gives rise to a fraction of an ordinary share, the rounding principles described in paragraph 3.2 below will be applied.

#### Example of Scrip Distribution entitlement:

This example assumes that a Shareholder holds 100 Metrofile Ordinary Shares at the close of business on the Record Date and does not elect to receive the Cash Dividend alternative for all or part of such Metrofile Ordinary Shares, and that the VWAP of Metrofile Ordinary Shares traded on the JSE for the 10-day trading period ending Wednesday, 3 April 2019 is 185 cents per Metrofile Ordinary Share.

$$\text{New Metrofile Ordinary Share entitlement} = \frac{100 \times 5 \text{ cents}}{185 \text{ cents}}$$

= 2.70270 Scrip Distribution share[s] per 100 Metrofile Ordinary Shares held, subject to the rounding principles described in paragraph 3.2 below. This would result in a Shareholder with 100 Metrofile Ordinary Shares receiving a new Metrofile Ordinary Share entitlement of two (2) Scrip Distribution shares and a cash payment for the fraction, in terms of paragraph 3.2 below.

The Cash Dividend will be paid out of the Company’s distributable retained profits while the issue price of the Scrip Distribution (which will equal the VWAP of Metrofile Ordinary Shares traded on the JSE for the 10-day trading period ending on Wednesday, 3 April 2019) will be settled by way of capitalisation of the Company’s distributable retained profits. The Scrip Distribution shares will, upon their issue, rank *pari passu* in all respects with the other ordinary Metrofile Ordinary Shares then in issue.

The Company's total number of issued Metrofile Ordinary Shares at the last practicable date prior to the issue of this Circular, being Wednesday, 27 March 2019, was 435 140 268 of which the Company holds 18 976 058 Metrofile Ordinary Shares in treasury. Metrofile's income tax reference number is 9375/066/71/0.

If all Shareholders were to accept the Scrip Distribution without electing to receive the Cash Dividend alternative, other than treasury shares (which would elect to receive the Cash Dividend), the number of Scrip Distribution shares issued would amount to 11 247 681, based on the assumed Scrip Distribution ratio in the example above (and ignoring rounding down for fractions on a per Shareholder basis) and the aggregate issue price of R20 808 211 being capitalised out of the Company's distributable retained profits. If all Shareholders were to elect to receive the Cash Dividend, including the treasury shares, the maximum gross cash dividend payable by the Company would be R21 757 013.

### 3.2 Fractions

Where a Shareholder's entitlement to new Metrofile Ordinary Shares calculated in accordance with the above formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded down to the nearest whole number, resulting in allocations of whole Metrofile Ordinary Shares and a cash payment for the fraction.

In terms of the JSE Listings Requirements, the applicable cash payment in respect of fractional entitlements will be determined with reference to the VWAP of Metrofile Ordinary Shares traded on the JSE on Tuesday, 16 April 2019, (being the day on which Metrofile Ordinary Shares begin trading 'ex' the entitlement to receive the Scrip Distribution or the Cash Dividend alternative), less 10%. For illustrative purposes, this Circular assumes the VWAP of Metrofile Ordinary Shares traded on the JSE on Tuesday, 16 April 2019 to be 185 cents, less 10%, being 166.5 cents.

The basis for the applicable cash payment will be announced on SENS on Wednesday, 17 April 2019, by 11:00.

Example of fractional entitlement:

This example assumes that a Shareholder holds 100 Metrofile Ordinary Shares at the close of business on the Record Date and does not elect to receive the Cash Dividend in respect of all or part of their shareholding.

New Metrofile Ordinary Share entitlement as set out above = 2.70270

The Shareholder will receive:

Two (2) Scrip Distribution shares in respect of the 100 Metrofile Ordinary Shares held and a cash payment for the fractional entitlement based on the 166.5 cents noted above of  $166.5 \times 0.70270 = 117$  cents.

### 3.3 Nominee companies

The Transfer Secretaries have been instructed to treat applications from nominee companies as separate applications on the submission of a breakdown of the beneficial owners of Metrofile Ordinary Shares registered in the name of the nominee companies.

### 3.4 Tax implications

3.4.1 The Scrip Distribution and the Cash Dividend alternative may have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act, 58 of 1962, as amended ("**the Income Tax Act**"), the Cash Dividend will, unless exempt, be subject to DWT. South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 4 cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any Double Tax Agreement between South Africa and their country of residence; and

- 3.4.2 The Scrip Distribution is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of Metrofile Ordinary Shares obtained as a result of the Scrip Distribution is likely to have Income Tax or Capital Gains Tax (“**CGT**”) implications. Where any future disposals of Metrofile Ordinary Shares obtained as a result of the Scrip Distribution falls within the CGT regime, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such Metrofile Ordinary Shares will be included in the determination of the weighted average base cost method will be zero).

#### 4. **FOREIGN SHAREHOLDERS**

The distribution of this Circular, and the rights to receive the Scrip Distribution shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Scrip Distribution shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend alternative. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Distribution, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

Shareholders in the United States or US persons as defined in Regulation S under the US Securities Act of 1933 who wish to receive the Scrip Distribution must be qualified institutional buyers (“**QIBs**”) as defined in Rule 144A under the Securities Act and also qualified purchasers (“**QPs**”) within the meaning of Section 2(a)(51)(A) of the US Investment Company Act of 1940 must complete and return the investor letter attached to this Circular as **Annexure 1 (“Investor Letter”)**, to the Company at [info@metrofileholdings.co.za](mailto:info@metrofileholdings.co.za).

#### 5. **ACTION REQUIRED BY SHAREHOLDERS**

Shareholders who wish to receive the Cash Dividend must take the following action:

##### 5.1 **Certificated Shareholders wishing to receive the Cash Dividend:**

Shareholders who hold certificated Metrofile Ordinary Shares (“**Certificated Shareholders**”) and who wish to receive the Cash Dividend must complete the attached Form of Election in respect of all or part of their shareholding in accordance with the instructions contained therein and lodge it with, or post it to, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Gauteng, South Africa (PO Box 61763, Marshalltown, 2107, Gauteng, South Africa) so as to be received no later than 12:00 on Thursday, 18 April 2019. Forms of Election received after this date and time will not be accepted. Forms of Election may also be emailed to [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za). Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Election or owing to Forms of Election being forwarded to any other email address other than that provided above. Forms of Election shall be deemed to be received on the date reflected in Computershare’s electronic system. Notwithstanding anything to the contrary, it is the Shareholder’s responsibility to ensure that their Form of Election is received by Computershare Investor Services Proprietary Limited.

Share certificates will be posted and electronic funds transferred to Certificated Shareholders’ on Tuesday, 23 April 2019, in accordance with any election made.

##### 5.2 **Dematerialised Shareholders wishing to receive the Cash Dividend:**

Shareholders who have dematerialised their Metrofile Ordinary Shares (“**Dematerialised Shareholders**”) must **NOT** complete the attached Form of Election. Dematerialised Shareholders are required to notify their duly appointed CSDP or broker if they wish to receive the Cash Dividend, in the manner and the time stipulated in the agreement governing the relationship between such Shareholders and their CSDP or broker, failing which they will receive the Scrip Distribution.

Dematerialised Shareholders' CSDP/broker accounts will be credited and updated on Tuesday, 23 April 2019, in accordance with any election made.

### 5.3 **Election in respect of all or part of the Shareholders' Ordinary Shares**

Shareholders may make the election, using the Form of Election, in respect of all or any part of their Metrofile Ordinary Shares held on the Record Date. If an election is made in respect of part of an ordinary shareholding, the Shareholder concerned will receive the Scrip Distribution in respect of the Metrofile Ordinary Shares for which the election to receive the Cash Dividend is **not** made. Shareholders who do not wish to receive any Cash Dividend **do not** need to take any further action and will receive the Scrip Distribution. Shareholders electing to receive the Cash Dividend should note that the election is irrevocable and, once an election to receive the Cash Dividend is made, such election cannot be cancelled.

## 6. **POSTING OF SHARE CERTIFICATES, PAYMENT OF CASH DIVIDEND AND UPDATING/ CREDITING OF CSDP/BROKER ACCOUNTS**

Where applicable, ordinary share certificates will be dispatched to all Certificated Shareholders by registered post at the risk of such Shareholders on or about Tuesday, 23 April 2019 to their registered addresses or in accordance with the instructions given to the Transfer Secretaries.

According to the election made, Cash Dividend payments will be made by electronic funds transfer into the personal bank accounts of Certificated Shareholders on Tuesday, 23 April 2019. Certificated Shareholders who have not already provided the Transfer Secretaries with their banking details are requested to complete **FORM B: Direct Credit – Bank Account Details** attached to this Circular and return same to the Transfer Secretaries. **(To combat the increase in cheque fraud, the Company has discontinued payments by cheque and accordingly, payment of any Cash Dividend to Certificated Shareholders is dependent on the Transfer Secretaries being in possession of such Certificated Shareholder's banking details.)**

Shareholders' CSDP/broker accounts will be updated on Tuesday, 23 April 2019.

## 7. **LISTING OF NEW ORDINARY SHARES**

Application has been made to the JSE to list the maximum possible number of Scrip Distribution shares issued in terms of the Scrip Distribution, with effect from the commencement of business on Tuesday, 16 April 2019. An adjustment of the number of Metrofile Ordinary Shares listed will be made on or about Wednesday, 24 April 2019, in accordance with the actual number of Metrofile Ordinary Shares issued in terms of the Scrip Distribution.

The right to receive new Metrofile Ordinary Shares in terms of the Scrip Distribution is not renounceable and may not be traded on the JSE.

## 8. **EXCHANGE CONTROL REGULATIONS**

In terms of the Exchange Control Regulations of the Republic of South Africa, which apply to Shareholders who are registered on the South African register, who are either non-residents of, or emigrants from, the Common Monetary Area (comprising the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland):

### 8.1 **in the case of Certificated Shareholders:**

8.1.1 any share certificate that may be issued to non-resident Shareholders will be endorsed "non- resident";

8.1.2 any new share certificates issued based on emigrant Shareholders Metrofile Ordinary Shares controlled in terms of the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange controlling their remaining assets. The election by emigrant Shareholders for the above purpose must be made through the Authorised Dealer in foreign exchange controlling their remaining assets. Such new share certificates will be endorsed "non-resident"; and

8.1.3 cash dividend payments paid out of the Company's distributable profits due to non-residents and emigrant Shareholders are freely transferable from South Africa. In respect of all non-residents of the Common Monetary Area (collectively, the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland) the cash dividend payments due will be sent to the registered address of the Shareholder concerned or in accordance with instructions given to the Transfer Secretaries. In respect of all emigrants, the dividend payments will be sent to the Authorised Dealer in foreign exchange controlling their remaining assets.

## 8.2 in the case of Dematerialised Shareholders:

8.2.1 any Metrofile Ordinary Shares issued to emigrant Shareholders from the Common Monetary Area will be credited to their remaining shares accounts at the CSDP controlling their remaining portfolios. Any Metrofile Ordinary Shares issued to a non-resident of the Common Monetary Area will be credited to such non-residents CSDP or broker account and a "non-resident" annotation will appear in the CSDP or broker register; and

8.2.2 any cash dividend payments paid out of the Company's distributable profits to non-residents and emigrant Shareholders from the Common Monetary Area are freely transferable and will be credited to the CSDP or broker controlling their portfolios.

## 9. EXPERTS' CONSENTS

The Sponsor, the Transaction Advisor and the Transfer Secretaries to Metrofile have consented, in writing, to act in the capacity stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular.

This Circular is available in English only. Copies may be obtained from the Company's registered office or the Transfer Secretaries at the address set out in paragraph 5.1 of this Circular.

By order of the Board

**Paige Atkins**

For and on behalf of

**Metrofile Holdings Limited**

*Company Secretary*

**Registered office:**

41 Wordsworth Avenue, Senderwood, 2007, Gauteng, South Africa



## METROFILE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1983/012697/06

JSE ordinary share code: MFL

ISIN: ZAE000061727

("Metrofile" or "the Company")

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### FORM OF ELECTION

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#### A SCRIP DISTRIBUTION OR, ALTERNATIVELY, A CASH DIVIDEND

Only for use by Shareholders who hold ordinary shares of 0.6146 cent each in Metrofile ("Metrofile Ordinary Shares") in certificated form and who elect to receive a cash dividend of 5 cents per Metrofile Ordinary Share held on Thursday, 18 April 2019 ("the Record Date"), in respect of all or part of their ordinary shareholdings, instead of the Scrip Distribution alternative ("the Cash Dividend") for all or part of their ordinary shareholding held, or deemed to be held, at the close of business on the Record Date, failing which distribution of full-paid Metrofile Ordinary Shares with a par value of 0.6146 cent each ("the Scrip Distribution") will, by default, be distributed to such Shareholders.

Dematerialised Shareholders who wish to receive the Cash Dividend alternative are required to notify their duly appointed Central Securities Depository Participant ("CSDP") or broker of their election in the manner and the time stipulated in the agreement governing the relationship between such Shareholders and their CSDP or broker and must not complete this Form of Election. Please refer to paragraph 5.2 of the Circular to which this Form of Election is attached ("Circular").

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#### IF YOU WISH TO RECEIVE THE CASH DIVIDEND FOR ALL OR PART OF YOUR METROFILE ORDINARY SHARES AND:

- YOU HOLD DEMATERIALISED ORDINARY SHARES, YOU SHOULD INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE AGREEMENT ENTERED INTO BETWEEN YOU AND YOUR CSDP OR BROKER; OR
- YOU HOLD CERTIFICATED ORDINARY SHARES, YOU MUST COMPLETE THE ATTACHED FORM OF ELECTION AND RETURN IT TO THE TRANSFER SECRETARIES.

IF YOU DO NOT WISH TO RECEIVE THE CASH DIVIDEND, NO FURTHER ACTION IS REQUIRED.

SHOULD YOU TAKE NO ACTION, REGARDLESS OF BEING A CERTIFICATED OR DEMATERIALISED SHAREHOLDER, ON TUESDAY, 23 APRIL 2019 THE SCRIP DISTRIBUTION WILL BE DISTRIBUTED TO YOU IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THE CIRCULAR.

FORMS OF ELECTION MUST BE LODGED WITH OR MAILED TO THE TRANSFER SECRETARIES SO AS TO BE RECEIVED BY NO LATER THAN 12:00 ON THURSDAY, 18 APRIL 2019. FORMS OF ELECTION RECEIVED AFTER THIS TIME AND DATE WILL NOT BE ACCEPTED.

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#### To the Transfer Secretaries:

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
Gauteng  
South Africa  
(PO Box 61763, Marshalltown, 2107, Gauteng, South Africa)

#### Attention: Corporate Actions Department

Tel: + 27 11 870 8216 or, if calling within South Africa, 086 1100 634 (available between 08:00 and 16:30 SA time)

Email: corporate.events@computershare.co.za

**Shareholders who do not post their Forms of Election should ensure that same are emailed to corporate.events@computershare.co.za. Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Election or owing to Forms of Election being forwarded to any other facsimile or email address other than those provided above. Forms of Election shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the shareholder's responsibility to ensure that their Election Form is received by Computershare Investor Services Proprietary Limited.**

I/We, \_\_\_\_\_ (name in BLOCK LETTERS)

regarding the election of the Cash Dividend instead of the Scrip Distribution:

- hereby irrevocably, and on the terms and conditions contained in this Form of Election and in the Circular, elect to receive the Cash Dividend of 5 cents per ordinary share of 0.6146 cent each held on the Record Date, in respect of all or part of my/our ordinary shareholding, instead of the Scrip Distribution;
- acknowledge that this Form of Election is applicable only in respect of Metrofile Ordinary Shares of which I/we was/were the registered holder(s) at the close business on the Record Date; and
- acknowledge that I/we am/are not entitled to a Scrip Distribution, the number of which will be determined in the ratio that 5 cents bears to the VWAP of Metrofile Ordinary Shares traded on the JSE during the 10-day trading period ending on Wednesday, 3 April 2019, in respect of the number of ordinary shares, reflected in Block (D) overleaf, held, or deemed to be held, by me/us at the close of business on the Record Date in respect of which I/we have elected to receive the Cash Dividend.

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

Assisted by (where applicable ) \_\_\_\_\_

Signature \_\_\_\_\_

Telephone numbers including international and area codes:

Home: \_\_\_\_\_ Work: \_\_\_\_\_

Cellphone/mobile: \_\_\_\_\_ Email address: \_\_\_\_\_

Telefax number: \_\_\_\_\_

**FORM B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM**

**FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF METROFILE HOLDINGS LIMITED (“Metrofile”) WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS**

Full name of registered shareholder

Identity number of person signing this form

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Your shareholder number (if known)	
Email address	
Cellphone number	
Office phone number	
Home phone number	
Telefax number	

**REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS**

**PLEASE NOTE: We cannot accept banking details in the name of a third party**

Name of bank account holder			
Name of South African Bank			
Name of bank branch			
Bank account number			
Bank branch code			
Account type	Cheque	Transmission	Savings

I/We hereby authorise

**Computershare Investor Services Proprietary Limited** and/or Metrofile to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions.

Signature of shareholder	Day	Month	Year
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If you are signing this form in a representative capacity, please indicate which capacity (see over)

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<p><b>BANK VERIFICATION</b></p> <p>I/We confirm that the above information about the abovementioned shareholders account at this Bank is correct</p> <p>Signed on behalf of Bank</p> <p><b>THIS MUST BE COMPLETED BY YOUR BANK</b></p>	<p><b>BANK STAMP HERE</b></p>
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**THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT. (COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).**

**PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.**

## HOW TO COMPLETE THIS FORM

### Request for direct crediting of payments

This form must be completed in full if you wish your cash dividend/distribution payments to be paid directly into your nominated South African bank account. Until cancelled in writing by you, all future cash payments will be paid into the nominated account.

**IMPORTANT: Do not use the number quoted on your credit or debit card.**

#### By signing this form, you:

- Confirm that the details are true and correct.
- Understand that neither Metrofile nor Computershare Investor Services Proprietary Limited is obliged to post you a dividend cheque in the event that we are unable to transfer the funds due to you electronically and any decision to do so will be at the sole and absolute discretion of Metrofile on a case by case basis.
- Agree that if Metrofile determines that a cheque will be sent to you by post, it will be at your own risk.
- Understand and agree that neither Metrofile nor Computershare Investor Services Proprietary Limited shall be responsible in any way for any loss you may suffer as a result of transfer/deposits being made in accordance with the information provided on this form.
- Understand and agree that any such deposit shall constitute a full and sufficient discharge of Metrofile and/or Computershare Investor Services Proprietary Limited obligation to make such payments to me/us.
- Understand and agree that this payment instruction will be applied to all future cash payments.

This instruction only applies to the specific holding identified by the holder number and the name appearing on the front of this form.

**NOTE: We cannot accept banking details in the name of a third party.**

**IF YOU ARE SIGNING THIS FORM IN A REPRESENTATIVE CAPACITY, COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED REQUIRES THE FOLLOWING DOCUMENTATION IN ADDITION TO AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT.**

Joint holding:	Where the holding is in more than one name, the signature of the first mentioned shareholder is required.
Power of attorney:	To sign under a Power of Attorney, you must have already lodged the Power of Attorney with Computershare Investor Services Proprietary Limited. Alternatively, please attach an original certified copy of the Power of Attorney to this form when you return it together with an original certified copy of the registered holder's identity document.
Trusts:	The form must be signed by the authorised trustee. If you have not already done so, please attach an original certified copy of the Trustee Resolution/Power of Attorney authorising you to act on behalf of the trust, together with original certified copies of the Letters of Authority issued by the Master of the High Court and the Trust Deed.
Companies/Close Corporations/ Funds:	Any authorised company official/member may sign on behalf of the company/close corporation/fund. Please indicate the office held when signing the form. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of your authorisation to act on behalf of the company/close corporation/fund in the form of an original certified copy of the board minute/resolution detailing the authorised signatories including specimen signatures and a company letterhead for noting in our records. In addition, Computershare Investor Services Proprietary Limited requires an original certified copy of the Certificate of Incorporation/CK1 Founding Statement/Constitution.
Minors:	If the shares are registered in the name of a minor, the form must be completed by the natural guardian, stating the capacity in which he/she is signing or in the case of a legal guardian attach an original certified copy of the Letters of Guardianship (if not previously provided). The guardian must attach an original certified copy of his/her identity document together with an original certified copy of the birth certificate of the minor.
Deceased shareholders:	This form must be signed by the Executor/s of the Deceased Estate. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of the Letters of Executorship together with an original certified copy of the Executor's identity document.
Shareholder under Curatorship:	The form must be signed by the Curator Bonis appointed by the Master of the High Court. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of the Letters of Curatorship together with an original certified copy of the Curator's identity document.
Shareholder under Liquidation:	The form must be signed by the liquidator appointed by the Master of the High Court. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of your Letter of Appointment together with an original certified copy of the shareholder's identity document.

**CERTIFICATED SHAREHOLDERS ARE REQUIRED TO ACCURATELY COMPLETE THE INFORMATION IN THE BLOCKS BELOW:**

Name, address and contact number of registered Shareholder	Account number
<b>(A)</b>	<p><i>Enquiries in connection with this form should be addressed to the Transfer Secretary by quoting the account number</i></p>

Name:	Address:
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Contact telephone and/or cellular phone number:	Email address:
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<p>Nominated Authorised Dealer in the case of a certificated Shareholder who is an emigrant from, or non-resident of, the Common Monetary Area:</p>
<b>(A)</b>

Name:	Address in South Africa or substitute instructions:
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Contact telephone and/or cellular phone number:	Email address:
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Account number/Investor Code (IVC)	<p>Number of ordinary shares deemed to be held on the Record Date, based on your shareholding at the close of business on Thursday, 18 April 2019.</p>
<b>(B)</b>	<b>(C)</b>

<p>Anticipated number of ordinary shares for which the Cash Dividend is elected:</p> <p>The remaining Scrip Distribution and Cash Dividend will be calculated by the Transfer Secretaries. The maximum number of ordinary shares for which the Cash Dividend alternative can be elected is the number of ordinary shares still registered in your name in the Company's registers on the Record Date.</p>	<b>(D)</b>
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(If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed not to have elected to receive the Cash Dividend based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date. Therefore, certificated Shareholders who wish to receive the Cash Dividend based on their entire holding of ordinary shares need to complete Block D and must complete and sign the rest of the Form of Election in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries.

Date of signature	Signature
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### **Instructions on how to complete this Form of Election:**

1. For the terms and conditions governing the election, refer to the Circular and to the notes below.
2. If you hold share certificate(s) and elect to receive the Cash Dividend alternative in respect of all or part of your shareholding, you should complete Block D above in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries. If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed not to have elected to receive the Cash Dividend alternative and, on Tuesday, 23 April 2019 the Scrip Distribution will be distributed to you, subject to and in accordance with the provisions detailed in this Circular and based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date.
3. The signature on this Form of Election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
4. Any alteration or correction made to this Form of Election must be initialed by the signatory(ies).
5. In order to be valid, this Form of Election must be properly completed and received by the Transfer Secretaries detailed above, by no later than 12:00 on Thursday, 18 April 2019. If your Form of Election is received by the Transfer Secretaries by later than 12:00 on Thursday, 18 April 2019, on Tuesday, 23 April 2019, the Scrip Distribution will be distributed to you, subject to and in accordance with the provisions detailed in this Circular and based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date.
6. Should you have any queries as to the completion of this Form of Election, please contact the Transfer Secretaries.

### **Notes:**

1. Capitalised terms in the Form of Election bear the same meaning as in the Circular unless the context indicates otherwise.
2. Please note that, if your preference is to participate in the Cash Dividend alternative, an election must be made in respect of the number of ordinary shares in the Company for which the Cash Dividend is required. If no election is made for a Cash Dividend, or if a Form of Election is received by the Transfer Secretaries timeously but it is not completed in accordance with the above instructions, the Shareholder will receive the Scrip Distribution in accordance with the Shareholder's ordinary shareholding in the Company as of the Record Date. Certificated Shareholders electing to participate in the Cash Dividend alternative and who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing **FORM B: Direct Credit – Bank Account Details** attached hereto and returning same to the Transfer Secretaries.
3. Metrofile reserves the right, in its discretion, to:
  - 3.1 treat as invalid (in which case the Scrip Distribution will be awarded) any Form of Election not complying with the terms of the election or any instruction contained in the Circular; and
  - 3.2 require proof of the authority of the person signing this Form of Election, where such proof has not yet been lodged with or recorded by the Transfer Secretaries.

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## INVESTOR LETTER

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### TO BE COMPLETED BY US INVESTORS ONLY

#### **Metrofile Holdings Limited**

41 Wordsworth Avenue  
Senderwood 2007  
Gauteng  
South Africa

Email: info@metrofileholdings.co.za  
By copy to CSDP or Broker

Dear Sirs

#### **Election to receive Metrofile Scrip Distribution Ordinary Shares instead of the Cash Dividend Alternative**

We are delivering this letter to you in connection with our election to receive the Scrip Distribution referred to above.

For the purposes of this letter, the term "Associate" means in relation to a person, each of their affiliates, controlling entities, subsidiaries, holding companies, subsidiaries of holding companies, branches and associates (as defined by applicable laws and regulations).

In consideration of our being offered and allocated the Scrip Distribution, we hereby acknowledge, undertake, represent, warrant, confirm and agree (as the case may be) as follows:

1. In making any decision to elect the Scrip Distribution, we confirm that we have such knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of electing the Scrip Distribution. We are experienced in investing in securities of this nature, are familiar with the markets in which Metrofile operates and we are aware that we may be required to bear, and are able to bear, the economic risk of, and are able to sustain a complete loss in connection with, the Scrip Distribution. We have relied on our own independent examination and due diligence of Metrofile and the terms of the Scrip Distribution, including the merits and risks involved.
2. We have:
  - (a) made our own assessment and satisfied ourselves concerning legal, regulatory, tax, business and financial considerations in connection herewith to the extent we deem necessary;
  - (b) had access to review publicly available information concerning Metrofile on its website at **www.metrofilegroup.com** that we consider necessary or appropriate and sufficient in making an investment decision;
  - (c) reviewed such information as we believe is necessary or appropriate in connection with our election of the Scrip Distribution; and
  - (d) made our investment decision based solely upon our own judgement, due diligence and analysis.
3. We acknowledge and agree that the election of the Scrip Distribution does NOT constitute the purchase or sale of a security listed on a US securities exchange.
4. With respect to the Scrip Distribution, we acknowledge, undertake, represent, warrant, confirm and agree (as the case may be):
  - 4.1 that we are a "qualified institutional buyer" ("**QIB**") within the meaning of Rule 144A under the US Securities Act of 1933 (the "**Securities Act**") and also a "qualified purchaser" ("**QP**") within the meaning of Section 2(a)(51)(A) of the US Investment Company Act of 1940, acquiring the Metrofile ordinary shares of 0.6146 cent each underlying the Scrip Distribution for our own account or for the account of one or more QIBs that are also QPs, with respect to whom we have the authority to make, and do make, the representations, warranties and agreements in this letter;
  - 4.2 that the Scrip Distribution shares have not been, and will not be, registered under the Securities Act or with any State or other jurisdiction of the United States and that we are aware, and each

beneficial owner of the Scrip Distribution shares has been advised, that the Scrip Distribution shares are being offered to us in accordance with the exemption from registration under the Securities Act for transactions not involving a public offering of securities in the United States;

- 4.3 that the Scrip Distribution shares may not and will not be reoffered, resold, pledged or otherwise transferred by us except outside the United States in an offshore transaction pursuant to Rule 903 or Rule 904 of Regulation S promulgated under the Securities Act ("**Regulations**"). We understand that, on any proposed resale of the shares, we and each subsequent holder will be required to deliver to the transferee of the shares a notice substantially to the foregoing effect.
5. We understand that no action has been or will be taken by Metrofile, or any person acting on behalf of Metrofile that would, or is intended to, permit a public offer of the Scrip Distribution shares in any country or jurisdiction where any such action for that purpose is required.
6. We are entitled to elect the Scrip Distribution shares under the laws of all relevant jurisdictions which apply to us, including any State securities laws in the United States. Our election of the Scrip Distribution will be in compliance with applicable laws and regulations in the jurisdiction of our residence, the residence of Metrofile, and otherwise.
7. We understand that there may be certain consequences under US and other tax laws resulting from the election of the Scrip Distribution and will make such investigation and consult such tax and other advisers with respect thereto, as we deem appropriate. We will satisfy ourselves concerning, without limitation, the effects of US federal, state and local income tax laws and foreign tax laws on our election of the Scrip Distribution.
8. We understand and acknowledge that Metrofile and others will rely upon the truth and accuracy of the representations, warranties and acknowledgements set forth herein and agree that if any of the representations, warranties and acknowledgements are no longer accurate, we will promptly notify Metrofile. We irrevocably authorise Metrofile to produce this letter or a copy hereof, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding, dispute or official inquiry with respect to the matters set forth herein.
9. We acknowledge that Metrofile is required to publish business, financial and other information in accordance with the rules, regulations and practices applicable to companies listed on The Johannesburg Stock Exchange (the "**Exchange Information**"), which we have been able to access without undue difficulty, and we have obtained or accessed and reviewed the Exchange Information. We understand that the financial information relating to Metrofile has been prepared in accordance with International Financial Reporting Standards, and thus may not be comparable to financial statements of US companies prepared in accordance with US generally accepted accounting principles. At the time that we elect and receive the Scrip Distribution, we will not be in possession of any non-public information with respect to Metrofile.
10. We have full power and authority to enter into this letter, which has been duly authorised, executed and delivered by us.
11. All representations, warranties, acknowledgements, undertakings and agreements we have made in this letter shall survive the Scrip Distribution and delivery of the Scrip Distribution shares.

Yours sincerely, (Name of investor)

Signature

Date

<b>CSDP/Broker name</b>	<b>CSDP safe keeping account reference</b>
<b>CSDP email address</b>	<b>CSDP telephone number</b>