



RH BOPHELO LIMITED
Incorporated in the Republic of South Africa under the South
African Companies Act, No. 71 of 2008
(Registration No. 2016/533398/06)
JSE code: RHB, ISIN: ZAE000244737

INFORMATION MEMORANDUM
The Cross Listing on the Official List of the
Rwanda Stock Exchange by way of Introduction

*The date for this Information Memorandum is 1 June 2020 and can
be found on RH Bophelo's website (www.rhbophelo.co.za)*

ADVISORS

TRANSACTION ADVISORS



SPONSORING STOCKBROKER



LEAD LEGAL ADVISOR



RWANDA LEGAL ADVISOR



JSE SPONSOR



JSE TRANSFER SECRETARIES



RSE TRANSFER AGENTS



Founding Partners



TABLE OF CONTENTS

ADVISORS	2
CONTACT INFORMATION	5
1. IMPORTANT NOTICE	7
2. DEFINITIONS AND INTERPRETATIONS	9
3. CHIEF EXECUTIVE OFFICER'S STATEMENT ON CROSS LISTING ON THE RSE	13
3.1 BACKGROUND.....	13
3.2 PURPOSE OF THE LISTING	13
3.3 RH BOPHELO'S STRATEGY	13
3.3.1 HOSPITAL INFRASTRUCTURE NETWORK.....	13
3.3.2 CO-OWNED.....	13
3.3.3 MANAGEMENT CONTACTS.....	14
3.3.4 HEALTHCARE ACCESS AND INSURANCE.....	14
3.4 INFORMATION MEMORANDUM	14
4. DIRECTORS' RESPONSIBILITY STATEMENT.....	15
5. EXECUTIVE SUMMARY	16
5.1 INCORPORATION AND STATUS	16
5.2 DIRECT AND INDIRECT INVESTMENTS OF DIRECTORS.....	16
5.3 GROUP CORPORATE STRUCTURE	16
5.4 DESCRIPTION OF RH BOPHELO'S BUSINESS	17
5.5 SUMMARY OF SHAREHOLDING STRUCTURE.....	17
5.6 SUMMARY OF RH BOPHELO'S FINANCIAL PERFORMANCE	17
5.6.1 STATEMENT OF COMPREHENSIVE INCOME.....	17
5.6.2 STATEMENT OF FINANCIAL POSITION	18
5.6.3 STATEMENT OF CASH FLOW	18
5.7 REASONS FOR THE CROSS LISTING	19
6. FEATURES OF THE LISTING	20
6.1 TRANSACTION OVERVIEW	20
6.2 SHARE CAPITAL.....	20
6.3 APPROVAL FOR THE LISTING	21
6.4 REGULATORY APPROVALS	21
6.5 LISTING PRICE.....	21
6.6 RH BOPHELO A ORDINARY SHARE PRICE VS JSE TOP 40 INDEX	21
6.7 RH BOPHELO A ORDINARY SHARE PRICE MARKET HISTORY.....	21
7. RWANDA ECONOMIC OVERVIEW	23
7.1 GDP GROWTH.....	23
7.2 INFLATION.....	24
7.3 INTEREST RATES.....	25
7.4 RWANDAN FRANC	25
7.5 MONEY SUPPLY	26
7.6 TRADE BALANCE.....	26
8. OVERVIEW OF HEALTH CARE SECTOR IN SOUTH AFRICA AND RWANDA	28
8.1 BACKGROUND.....	28
8.2 SOUTH AFRICA - PRIVATE HEALTHCARE	29
8.3 SOUTH AFRICA - THE RELEVANT ROLE PLAYERS IN THE PRIVATE SECTOR INCLUDE:.....	29
8.4 BACKGROUND.....	30
8.5 STRUCTURE OF THE HEALTH SYSTEM	30
8.6 HEALTH FINANCING	32
8.7 HEALTH SECTOR PERFORMANCE	34
8.8 RH BOPHELO OPPORTUNITIES	35
9. RH BOPHELO BUSINESS OVERVIEW	37
9.1 BOARD OF DIRECTORS.....	38
9.2 MANAGEMENT	38
9.3 DIRECT OR PRINCIPAL INVESTMENTS	39
10. RH BOPHELO HISTORY & MILESTONES.....	41
10.1 RH BOPHELO CORPORATE MILESTONES	41
10.2 KEY SUCCESS FACTORS.....	41
10.3 DRIVERS OF CHANGE IN THE COMPANY	42

10.4 RH BOPHELO'S COMPETITIVE POSITIONING	43
11. CORPORATE GOVERNANCE, THE BOARD OF DIRECTORS AND STAFFING	45
11.1 CORPORATE GOVERNANCE	45
11.2 SHAREHOLDERS' RESPONSIBILITIES	45
11.3 DIRECTORS' PROFILES	46
11.4 SENIOR MANAGEMENT TEAM AND SUMMARY OF SENIOR MANAGEMENT QUALIFICATION AND EXPERIENCE	56
12. MATERIAL RISK FACTORS SPECIFIC TO RH BOPHELO BUSINESS	57
13. RH BOPHELO - TWO YEARS FINANCIAL SUMMARY	62
13.1 RH BOPHELO PERFORMANCE	62
13.1.1 STATEMENT OF COMPREHENSIVE INCOME	62
13.1.2 STATEMENT OF FINANCIAL POSITION	62
13.1.3 STATEMENT OF CASH FLOW	63
13.2 FUTURE PROSPECTS	63
14. CORPORATE STATUTORY AND GENERAL INFORMATION	64
14.1 GROUP CORPORATE STRUCTURE	64
14.2 DIVIDEND POLICY AND FUTURE DIVIDENDS	64
14.3 EXTRACTS FROM THE MEMORANDUM OF INCORPORATION	64
14.4 PROPERTY DISPOSAL AND ACQUISITION	64
14.5 BORROWINGS	64
14.6 LOAN COVENANTS	64
14.7 MATERIAL CONTRACTS	64
14.8 LITIGATION	65
14.9 WORKING CAPITAL	65
14.10 LICENCES	65
14.11 AUTHORISATIONS AND APPROVALS	65
14.12 DIRECTORS	65
14.13 SIGNIFICANT OR MATERIAL CHANGES	65
14.14 GOVERNING LAW	65
15 DOCUMENTS AVAILABLE FOR INSPECTION	66
16 CROSS BORDER TRADING	67
16.1 JSE	67
16.2 RSE	69
16.3 CLEARING AND SETTLEMENT ON THE RSE MARKET	70
16.4 SELLING RESTRICTIONS	71
17 LEGAL OPINIONS	73
ANNEXURE I: SALIENT FEATURES OF THE MOI	82

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1. IMPORTANT NOTICE

The Directors, having made all reasonable inquiries, confirm that this Information Memorandum contains all information with respect to the Company and the A Ordinary Shares to be listed by it which is material in the context of the A Ordinary Shares, that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts, the omission of which, would make any of such information or the expression of any such opinions or intentions misleading. The Directors have taken reasonable care to ensure that the information contained in this Information Memorandum is in accordance with the regulations issued by the CMA, and there are no other facts, which, in the Directors' knowledge and belief, should be included in this Information Memorandum. The Directors accept responsibility accordingly.

The professional advisors and other agents engaged by the Company to deal with the Listing have relied on information provided by the Company. Other details in respect of the Company and the Company's business are prepared on the basis of details known to RH Bophelo management and the Directors, statutory declarations and information provided to the RSE.

Neither this Information Memorandum nor any other information supplied in connection with the Listing is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the professional advisors to the Listing that any recipient of this Information Memorandum or any other information supplied in connection with this Listing should purchase any A Ordinary Shares. Each investor contemplating purchasing A Ordinary Shares once they become available to the public should make his or her own independent investigation of the financial condition and affairs, and his or her own appraisal of the creditworthiness, of the Company.

The delivery of this Information Memorandum does not at any time imply that the information contained herein concerning the Company is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Listing is correct as of any time subsequent to the date indicated in the document containing the same.

No person has been authorised to give any information or make any representation other than those contained in this Information Memorandum and if given or made, such information or representation should not be relied upon as having been authorised by or on behalf of the Company, the professional advisors, or the other agents (if any) to the Listing.

Permissions and approvals

A copy of this Information Memorandum together with the documents required to be attached hereto, have been delivered to the Capital Markets Authority of Rwanda for approval and to the RSE Registrar of Companies in Rwanda for registration.

Permission has been granted by the Capital Markets Authority to introduce to the public, through the Official List of the RSE, the A Ordinary Shares in RH Bophelo that are the subject of this Information Memorandum. The securities that are the subject of the Information Memorandum have not been approved nor disapproved by the Capital Markets Authority. As a matter of policy, the Capital Markets Authority does not assume responsibility for the correctness of any of the statements made or opinions or reports expressed or contained in this Information Memorandum.

Approval of this Information Memorandum by the Capital Markets Authority is not to be taken as an indication of the merits of RH Bophelo or of its A Ordinary Shares.

The Information Memorandum does not constitute an offer or invitation to any person to subscribe for or purchase any new Shares in RH Bophelo. The Information Memorandum is not marketing any new A Ordinary Shares to be issued by RH Bophelo.

Permission has been given by the RSE to admit the A Ordinary Shares of RH Bophelo to the Official List of the RSE, under the abbreviation "**RHB**". The Listing is to be done by way of Introduction and as a result, RHB's A Ordinary Shares will initially not be listed on the RSE. It is expected that Listing will become effective and that dealings in the A Ordinary Shares on the RSE will commence on Monday, 1 June 2020. The RSE

assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed or contained or referred to in this Information Memorandum. Admission to the Official List is not to be taken as an indication of the merits of the Company or of its A Ordinary Shares.

The JSE has issued a letter of no objection to the proposals contained in this Information Memorandum. As a matter of policy, the JSE does not accept any responsibility for the correctness of the statements appearing in this Information Memorandum.

Risk factors

Prospective investors should carefully consider the matters set forth under the caption "*Material risk factors specific to RH Bophelo business*" as set out in paragraph 12 of this Information Memorandum. Please consult your investment advisor, fund or asset manager, bank manager, stockbroker, lawyer, accountant or other professional advisor on the meaning and impact of the contents of this Information Memorandum, and as to what action to take.

Financial information

Financial information presented in this Information Memorandum is derived from the audited financial statements of RH Bophelo and its Subsidiaries for the financial years ending February 2018, 2019 and the interim results for the period ending August 2019.

Consents

Birkett Stewart McHendrie and RH Managers as the Transaction Advisors, Faida as the Sponsoring Stockbroker, ENSafrica as Legal Advisors, Deloitte & Touche Sponsor Services as the JSE Sponsor, Computershare as the JSE Transfer Secretary and Escrow Financial Solutions as the RSE Transfer Agents of the Company have consented in writing to act in the capacities stated and to their names being included in this Information Memorandum and have not withdrawn their consents prior to the publication of this Information Memorandum.

None of the above advisors have been employed on a contingent basis, owns shares in RH Bophelo or its Subsidiaries which is material to that person or has a material, direct or indirect economic interest in RH Bophelo.

Legal Opinion

ENSafrica, has given and has not withdrawn its consent to the inclusion in this Information Memorandum of their Legal Opinion, and the references to its name, in the form and context in which it appears, and has authorized the contents of the said Legal Opinion.

The Statutory, Legal and General Information under paragraph 17 of this Information Memorandum lists material contracts which arose in the ordinary course of business in which the Group is presently involved.

2. DEFINITIONS AND INTERPRETATIONS

In this Information Memorandum and annexures hereto, unless the context indicates otherwise, a word or an expression which denotes any gender includes the other genders, 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:

“A Ordinary Shares”	means the “A” class ordinary shares of no-par value in authorised share capital of RH Bophelo, which as at the date of this Information Memorandum, there are 58,875,000 issued and fully paid A Ordinary Shares (all of which are currently Dematerialised Shares) listed on the JSE
“Admission”	means the Introduction of the A Ordinary Shares on the RSE;
“AGM” or “Annual General Meeting”	means the Annual General Meeting of the Shareholders of RH Bophelo;
“Applicable Laws”	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which may govern the Information Memorandum, the A Ordinary Shares and the Company in accordance with which the same are to be construed;
“Auditors” or “Deloitte & Touche”	means the firm of Deloitte & Touche having their Registered Office at Deloitte Place, 5 Magwa Crescent, Waterfall City, Midrand, Johannesburg, 2090, South Africa
“B Share”	means the unlisted B share of no-par value in the authorised share capital of RH Bophelo;
“BNR”	means the National Bank of Rwanda, the Central Bank of Rwanda;
“Board” or “Directors”	means the board of directors of RH Bophelo or the individual persons listed as directors of RH Bophelo as further detailed in this Information Memorandum;
CAGR”	means Compounded Annual Growth Rate;
“Capital Markets Authority” or “CMA-R”	means the Capital Markets Authority, a statutory body established under law n° 23/2017 of 31/05/2017 and which law determines its mission, organisation and functioning and includes anybody replacing it or any of its functions;
“Companies Act”	means the South African Companies Act, No. 71 of 2008 (<i>as amended</i>);
“Cross Listing” or “Listing”	means the admission of the A Ordinary Shares to the Official List of the RSE by way of cross listing and as an “ <i>Introduction</i> ” (<i>i.e. no capital being raised on initial listing</i>), as envisaged in this Information Memorandum;
“CSDP”	means a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a Dematerialised share account;
“Dematerialised”	means the process by which certificated shares are converted to an electronic form as uncertificated shares registered in the sub register of shareholders maintained by a CSDP;
“Dematerialised Shares”	means A Ordinary Shares that have been Dematerialised;
“ENSAfrica” or “Legal Advisors”	means Edward Nathan Sonnenbergs Inc. (Registration No. 2006/018200/21), a company duly incorporated in accordance with the laws of South Africa and ENSAfrica Rwanda Limited (Registration No.

	102772658), a company duly incorporated in accordance with the laws of Rwanda and shall have an individual reference as the context may require;
“Financial Markets Act”	means the South African Financial Markets Act, No. 19 of 2012 (as amended);
“GDP”	means the gross domestic product of all goods and services produced in South Africa and/or Rwanda (as the case may be) in a year;
“Government”	means the Government of South Africa;
“Group”	means RH Bophelo and its Subsidiaries from time to time;
“Holding Company”	means in relation to a Subsidiary, a juristic person that controls that Subsidiary as contemplated in the Companies Act;
“IFRS”	means International Financial Reporting Standards;
“Information Memorandum”	means this Information Memorandum dated 1 June 2020;
“Introduction”	means the introduction of the A Ordinary Shares to the Official List of the RSE and such that no capital will be raised by RH Bophelo on the initial Cross Listing;
“JSE”	means the JSE Limited (Registration No. 2005/022939/06), licensed as an exchange under the Financial Markets Act, and a public company incorporated under the laws of South Africa;
“JSE Listings Requirements”	means the Listings Requirements of the JSE, as amended from time to time;
“JSE Transfer Secretaries”	means Computershare Investor Services Proprietary Limited (Registration number 2000/007239/07), a private company duly incorporated in South Africa;
“Law”	means all applicable statutes and local and municipal laws and rules, regulations, codes and ordinances promulgated thereunder, as well as applicable case law, judgments, orders, consent order or decrees;
“Legal Opinion”	means the legal opinion of the Legal Advisors, contained in this Information Memorandum;
“Listing Date”	means the date on which the A Ordinary Shares will be admitted for trading on the RSE being 1 June 2020 at 10h00 (East African time);
“Listing Price”	means the A Ordinary Shares that will be listed at the initial trading price as set out in this Information Memorandum which price will be determined by the Company in accordance with valuation methodology historically determined;
“Management Agreement”	means the management agreement entered into between the Company, the Operating Entity and the Management Company on or about 23 June 2017 in terms of which the Management Company provides the services to the Company and the Operating Entity;
“Management Company”	means RH Bophelo Management Company Proprietary Limited (Registration number 2016/533552/07), a private company duly registered and incorporated in South Africa, being the manager of RH Bophelo as governed by the Management Agreement;

“Memorandum of Incorporation” or “MOI”	means the memorandum of incorporation of RH Bophelo;
“Official List”	means the Official List of the RSE;
“Operating Entity”	means RH Bophelo Operating Company Proprietary Limited (Registration number 2016/533529/07), a private company duly registered and incorporated in South Africa, being a wholly owned subsidiary of the Company;
“R” or “Rand” or “ZAR”	means the lawful currency of South Africa;
“Register”	means the register of the Shareholders of the Company, which the Company will maintain or will procure to be maintained by the JSE Transfer Secretaries at its Registered Office in accordance with the Companies Act;
“Registered Office”	means in relation to the Company, the office of the Company which is registered as required by section 23 of the Companies Act;
“RH Bophelo” or the “Company”	means RH Bophelo Limited, a public company incorporated in accordance with the Companies Act with registration number 2016/533398/06 having its registered office at 3 rd Floor, 18 Melrose Boulevard, Melrose Arch, Melrose North, Johannesburg 2076, South Africa, the A Ordinary Shares of which are currently listed on the JSE and are to be listed pursuant to this Information Memorandum on the RSE;
“RH Managers”	means RH Managers Proprietary Limited, a private company incorporated in accordance with the Companies Act with registration number 2016/533552/07 having its registered office at 18 Melrose Boulevard, Melrose Arch, Melrose North, Johannesburg 2076, South Africa;
“RSE”	means the Rwanda Stock Exchange;
“RSE Registrar”	means the institution or person appointed as registrar by the Company in relation to the A Ordinary Shares and the term includes any successor to the office of RSE Registrar;
“RSE Sponsoring Stockbroker” or “Faida”	means Faida Securities Rwanda, a member of the RSE, incorporated in accordance with the Rwanda Companies Act with registration number 101856301, having its registered office at Centenary House, 4th Floor, Kigali, Rwanda;
“RSE Transfer Agent”	means Escrow Financial Solutions Limited, a company incorporated in accordance with the Kenyan Companies Act;
“Rwanda”	means the Republic of Rwanda;
“Rwanda Companies Act”	means law n°17/2018 of 13/04/2018 governing companies in Rwanda;
“Rwandan Franc”, “Rwf”	means the lawful currency of Rwanda;
“Shareholder”	means any person in whose name is registered against an A Ordinary Share in the Register;
“South Africa”	means the Republic of South Africa;
“SPAC”	means a special purpose acquisition company as envisaged in the JSE Listings Requirements, being a special purpose vehicle established to

	facilitate the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing on the JSE;
“Subsidiary”	means the meaning ascribed thereto in the Companies Act;
“Transaction Advisors”	means collectively Birkett Stewart McHendrie Proprietary Limited, a private company incorporated in accordance with the South African Companies Act with registration number 2014/201187/07 and RH Managers Proprietary Limited, a private company incorporated in accordance with the South African Companies Act with registration number 2013/080004/07;
“Viable Assets”	means the acquisition of assets that will on its own enable a SPAC to qualify for a listing pursuant to the JSE Listings Requirements; and
“VWAP”	means volume weight average price.

3. CHIEF EXECUTIVE OFFICER'S STATEMENT ON CROSS LISTING ON THE RSE

Dear investor,

On behalf of the Board, I have great pleasure in presenting to you this Information Memorandum for the cross listing of our A Ordinary Shares on the RSE by way of an Introduction.

3.1 Background

RH Bophelo listed on the JSE as a SPAC in July 2017 with R500 million in new capital being raised. The JSE Listing allowed RH Bophelo to access the initial capital required to start operating and opened the door for the general public to acquire shares in a fully black-owned and entirely African healthcare investment company that offers growth and returns in a defensive asset class. RH Bophelo has since been converted into an Investment Entity as defined in terms of Section 15 of the JSE Listings Requirements.

RH Bophelo's Directors have investment experience in healthcare and financial services and continually invest in infrastructure, healthcare assets, access and innovation products, thereby allowing for portfolio efficiencies and a more effective infrastructure utilisation, which will lead to an improved yield on investments. RH Bophelo's strategy is to attract viable returns whilst encouraging quality and cost-effective healthcare services and as a result, RH Bophelo is looking at opportunities within the healthcare ecosystem with synergies that will deliver value to the lower and middle-income brackets.

RH Bophelo has made 9 (nine) acquisitions since its inception and JSE Listing. RH Bophelo's hospital portfolio has a total of 665 owned hospital beds which excludes over 800 additional beds under management contract through Africa Healthcare Proprietary Limited ("**AHC**") across eight South African provinces. The notable acquisitions in healthcare includes AHC, Medicare Hospital, Rondebosch Medical Centre, Vryburg Hospital and Bell Hospital. AHC includes AHC Nursing College, AHC Ambulance Services, AHC Pharmacy, AHC Facilities Management and AHC Galindo (a company that manufactures masks and gloves). The notable acquisitions in the financial services sector includes Wesmart and Genric, being UMA healthcare and short-term insurance focussed entities.

3.2 Purpose of the Listing

This Cross Listing of the A Ordinary Shares by way of Introduction follows approval by the Board that the A Ordinary Shares of the Company be listed on the RSE upon approval by the relevant regulatory authorities.

The purpose of the RSE Listing is to diversify RH Bophelo's investor base and to facilitate RH Bophelo's A Ordinary Shares availability to the wider East African public as well as providing an easy and efficient way for RH Bophelo's stakeholders and partners in the region to participate beneficially in the growth and fortunes of RH Bophelo through ownership.

3.3 RH Bophelo's strategy

RH Bophelo is building an ecosystem of networked investments focused on the healthcare and financial services sector. This investment network includes infrastructure and related access products that compliments RH Bophelo's value chain and expands RH Bophelo's reach and footprint to its target market (being the lower and middle-income earners and working uninsured). Creating a successful healthcare investment eco-system is achieved through investing in innovative access products and builds on strategic partnerships in order to leverage growth. The strategy is built on 3 (three) main pillars, which are as follows:

3.3.1 Hospital infrastructure network

Amounts to 70% (seventy percent) of the capital base and capital allocated. The model of the strategy is "hub and spoke" based on 10 (ten) entry-level hospitals to 1 (one) specialized hospital (*this is directly inverse to other major hospital groups, that do 10 (ten) specialized to every 1 (one) feeder*).

This hub and spoke model (based on 10 entry-level hospitals and 1 specialized hospital) sees RH Bophelo investing in integration of ancillary services in hospital management, emergency medicine and information technology to bolster earnings and provide the best possible experience to clients. RH Bophelo's target is 40 hospitals in this pillar.

3.3.2 Co-owned

This is allocated 20% (twenty percent) of the capital base. RH Bophelo recognises that we cannot compete on capital base with other incumbents. As such, it is important to invest and support co-ownership structures that allow a bigger footprint on lower committed capital. This effectively gives RH Bophelo a multiplier effect. RH Bophelo has access to the following:

- Long term development and property funds; and
- A potential investment in funding platforms to support infrastructure expansion opportunities, pipeline for growth, and moreover capital appreciation return.

RH Bophelo investor base can benefit from potential operating contracts for these hospitals, which will indirectly contribute to the bottom line whilst increasing footprint without the large capital outlays. RH Bophelo owns two hospital operators currently managing 12 hospitals not owned by RH Bophelo.

3.3.3 **Management contacts**

Currently RH Bophelo through its investment into Africa Healthcare and Botshilu Management Company manages over 10 hospitals that are co-owned (*such as Kiaat, Medicare, RH Matjabeng, Eden Gardens, Botshilu and Kwadukuza*) which generate additional management fees for these companies. RH Bophelo's network under 3.3.2 will bring access to a further 20 (twenty) facilities that will generate significantly higher third-party operating fees.

Africa Healthcare and Botshilu Management Company will have access to these management contracts once existing contracts expire over the next two years. RH Bophelo anticipates securing at least 50% (fifty percent) of these management contracts and is forecast from 2020.

3.3.4 **Healthcare access and insurance**

RH Bophelo sees an exponential growth opportunity on investing in companies that are providing affordable access products. This has been supported by an acquisition in Wesmart Financial Services. The overall portfolio will also benefit from an increased insured population that can see an increase in the utilisation of private healthcare, including the hospital that RH Bophelo's owns. This is inline with RH Bophelo's investment thesis of improving healthcare for the majority, including the lower to middle-income market. This will support better utilisation of RH Bophelo hospitals. RH Bophelo believes access to private hospitals should be expanded to a larger portion of respective populations. To penetrate this market RH Bophelo is investing in the following:

- Various affordable healthcare and medical insurance plans and options, which extend cover to the working uninsured;
- One of our investment, Genric Insurance provides general insurance for its assets under management (infrastructure and equipment, professional indemnity) and medical aid gap cover; and
- This portion of the value chain is complemented by seeking investment into case management and product distribution services.

3.4 **Information Memorandum**

This Information Memorandum is designed to provide detailed information and disclosures on RH Bophelo and its Subsidiaries as well as confirm that the RH Bophelo has met all eligibility criteria for the Cross Listing by way of an Introduction. This enables it to open up the trading in its A Ordinary Shares to the Rwanda public through the RSE.



Quinton Zunga
Chief Executive Officer

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors accept responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case) the information contained in this Information Memorandum is in accordance with facts and does not omit anything that is likely to affect the import of such information.

The Board confirms that in their opinion the working capital available to RH Bophelo and its Subsidiaries is sufficient for its present requirements.

The Directors have not had a petition under bankruptcy or insolvency laws pending or threatened in the last two years. Further, the Directors and senior management have not committed any serious offence nor does there exist any civil or criminal legal proceeding involving Directors or senior management that may be considered to affect the integrity or be inappropriate for the management of a company listed on the RSE. The Company is not in breach of any of its loan covenants.

Signed by:



John Rabagadi Oliphant
Non-executive Chairman



Quinton Zunga
Chief Executive Officer

5. EXECUTIVE SUMMARY

5.1 Incorporation and status

RH Bophelo was incorporated on 13 December 2016 in the Republic of South Africa under the South African Companies Act, No. 71 of 2008 with registration number 2016/533398/06 and listed as a SPAC on the JSE in July 2017 with JSE share code “RHB” and ISIN number “ZAE000244737”. RH Bophelo has since been converted into an investment Holding Company as defined in terms of the JSE Listings Requirements.

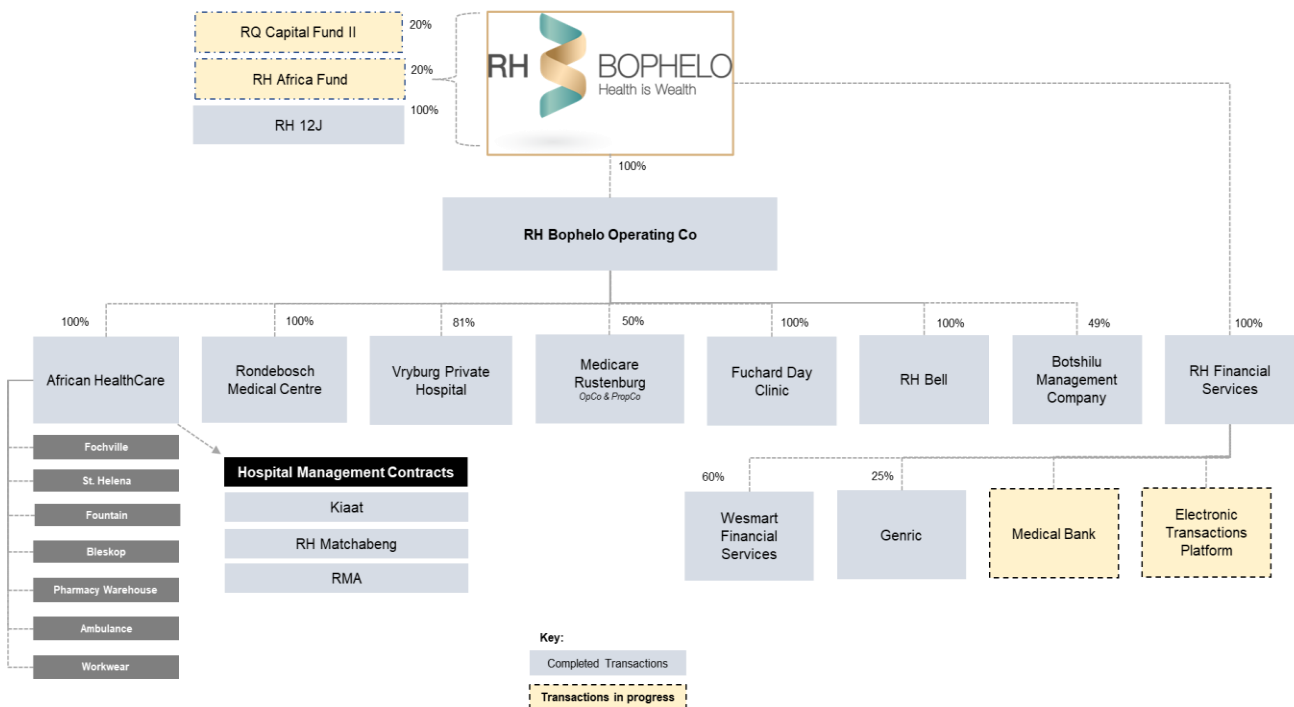
5.2 Direct and indirect investments of Directors

Directors’ shareholding in RH Bophelo preceding the date of this Information Memorandum:

Director	Beneficial		Total	Percentage held
	Direct	Indirect		
Quinton Zunga	1,500	1,500,000	1,501,500	2.6%
Vuyokazi Phatheka Nomvalo	-	-	-	0.0%
Katekani Dion Mhlaba	3,366	-	3,366	0.0%
Colin Wayne Clarke	-	3,584	3,584	0.0%
John Rabagadi Oliphant	12,200	1,020,300	1,032,500	1.8%
Dr Phetole David Sekete	-	200,000	200,000	0.3%
Dr Solomon Gabriel Motuba	-	-	-	0.0%
Dr Kgaogelo Rachel Ntshwana	-	-	-	0.0%
B Segooa	-	-	-	0.0%
DM Lerutla	-	-	-	0.0%
MR Nkadimeng	3,000	-	3,000	0.0%
	20,066	2,723,884	2,743,950	4.7%

5.3 Group corporate structure

The Group structure of RH Bophelo is as follows:



5.4 Description of RH Bophelo's business

RH Bophelo listed on the JSE as a SPAC in July 2017 with R500 million in new capital being raised. The JSE Listing allowed RH Bophelo to access the initial capital required to start operating and opened the door for the general public to acquire shares in a fully black-owned and entirely African healthcare company that offers growth and returns in a defensive asset class. RH Bophelo has since been converted into an Investment Entity as defined in terms of Section 15 of the JSE Listings Requirements.

RH Bophelo's Directors have investment experience in healthcare and financial services and continually invest in infrastructure, healthcare assets, access and innovation products, thereby allowing for portfolio efficiencies and a more effective infrastructure utilisation, which will lead to an improved yield on investments. RH Bophelo's strategy is to attract viable returns whilst encouraging quality and cost-effective healthcare services and as a result, RH Bophelo is looking at opportunities within the healthcare ecosystem with synergies that will deliver value to the lower and middle-income brackets.

5.5 Summary of shareholding structure

RH Bophelo's existing Shareholder Register consists of the following Shareholders (as at 27 March 2020):

Shareholder	A Ordinary Shares	% holding
The Public Investment Corporation	41,354,137	70.2%
Sentio Capital Management	5,093,270	8.7%
RQ Capital Partners	1,500,000	2.5%
Dr. Mandisa Joyce Gwendoline	1,816,470	3.1%
Mr. Stephanus Phillipus Van	1,566,338	2.7%
Mr. John Rupert Charles Beaumont	1,231,851	2.1%
Mrs. Belinda-Maree Mc Gillewie	1,231,850	2.1%
Third Way Investment Group Proprietary Limited	1,020,300	1.7%
Perthpark Properties	2,178,626	3.7%
Other	1,882,158	3.2%
Total	58,875,000	100.0%

5.6 Summary of RH Bophelo's financial performance

RH Bophelo's audited statement of comprehensive income, statement of financial position and statement of cash flows for each of the past 2 (two) financial years ending 28 February 2019 and 2018 respectively and RH Bophelo's interim results for the 6-month period ending 31 August 2019 are shown below:

5.6.1 Statement of comprehensive income

	31-Aug-19	28-Feb-19	28-Feb-18
	Unaudited	Audited	Audited
	6 months	12 months	12 months
	(ZAR)	(ZAR)	(ZAR)
Finance income	R14,666,087	R24,490,345	R20,826,640
Fair value on investment of fair value through profit or loss	R29,305,262	R16,596,791	R0
Other income	R322,115	R230,475	R0
	R44,293,464	R41,317,611	R20,826,640
Administrative and other operating expenditure	(R5,837,152)	(R13,174,556)	(R12,128,479)
Income before taxation	R38,456,312	R28,143,055	R8,698,161
Taxation	(R7,432,262)	-R6,982,166	(R578,836)
Income after taxation	R31,024,050	R21,160,889	R8,119,325
Other comprehensive income	R0	R0	R0
Total comprehensive income	R31,024,050	R21,160,889	R8,119,325
Earnings per share (cents)			
<i>Basic and diluted income per share (cents)</i>	60.53	41.50	25.50

5.6.2 Statement of financial position

	31-Aug-19	28-Feb-19	28-Feb-18
	Unaudited	Audited	Audited
ASSETS			
Non-currents assets			
Financial asset at fair value through profit and loss	R311,587,370	R157,896,791	R0
Current assets			
Cash and cash equivalents	R265,094,836	R373,548,658	R499,063,418
Related party loans	R17,779,038	R2,338,541	R0
Account receivables	R1,502,644	R1,764,952	R0
	R284,376,518	R377,652,151	R499,063,418
Total assets	R595,963,888	R535,548,942	R499,063,418
EQUITY AND LIABILITIES			
Share capital	R523,339,672	R500,839,672	R487,826,373
Retained income	R60,304,264	R29,280,214	R8,119,325
Total equity	R583,643,936	R530,119,886	R495,945,698
Other payables	R1,749,649	R1,711,375	R3,117,720
Deferred tax	R10,570,303	R3,717,681	R0
Current liabilities	R12,319,952	R5,429,056	R3,117,720
Total equity and liabilities	R595,963,888	R535,548,942	R499,063,418

5.6.3 Statement of cash flow

	31-Aug-19	28-Feb-19	28-Feb-18
	Unaudited	Audited	Audited
	6 months (ZAR)	12 months (ZAR)	12 months (ZAR)
Cash generated from operating activities			
Profit before tax	R38,456,312	R28,143,055	R8,698,161
Net gain from financial instruments at fair value through profit and loss	(R29,305,262)	(R16,596,791)	R0
	R9,151,050	R11,546,264	R8,698,161
Changes in working capital			
Decrease/(increase) in other receivables	R262,308	(R1,432,736)	R0
Increase/(decrease) in other payables	R38,274	(R1,406,345)	R3,117,721
Cash generated from operations	R9,451,632	R8,707,183	R11,815,882
Income tax paid	R0	(R3,596,701)	(R578,836)
Net cash inflow from operating activities	R9,451,632	R5,110,482	R11,237,046
Cash flow from investing and financing activities			
Increase in related party loans	(R16,218,386)	(R128,286,701)	R0
Net investments in financial instruments at fair value through profit and loss and loans	(R101,687,068)	(R2,338,541)	R0
Capital contributions	R0	R0	R487,826,372
	(R117,905,454)	(R130,625,242)	R487,826,372
Net movement in cash and cash equivalents	(R108,453,822)	(R125,514,760)	R499,063,418
Cash and cash equivalents at beginning of the period	R373,548,658	R499,063,418	R0
Cash and cash equivalents at the end of the period	R265,094,836	R373,548,658	R499,063,418

5.7 Reasons for the Cross Listing

It is RH Bophelo's intent to grow beyond the borders of South Africa in the next stage of its evolution. RH Bophelo's management believe that in the long term RH Bophelo must become Pan-African in nature. As a result, the rationale for the Secondary Listing is as follows:

- The RSE offers RH Bophelo the exposure that comes with Rwanda being at the epicentre of East Africa, and a leader on the African continent. Rwanda proves to be a jurisdiction in which RH Bophelo can unlock capital and the RSE Listing will facilitate this as well as acting as an initial springboard into the rest of Africa;
- The brokers and brokerages in Rwanda, Kenya, Uganda and Tanzania are linked which provides RH Bophelo an opportunity for both exposure and a deeper and wider spread of RH Bophelo's Shareholder base (free float) and potentially enhancing RH Bophelo's weighting in respective market indices;
- Enhanced public profile and awareness of RH Bophelo as its Shares trade on more than one licensed exchange;
- Provides diversification and additional options to RH Bophelo's capital raising activities, rather than being reliant only on the South African market and JSE; and
- Facilitates RH Bophelo's preparation of the next phase of its investment thesis in healthcare and financial services to the rest of Africa.

6. FEATURES OF THE LISTING

This section contains important information relating to the Cross Listing and should be read in its entirety for a full appreciation of the subject matter.

6.1 Transaction overview

Transaction	Cross Listing on the RSE by way of Introduction
Issuer	RH Bophelo
Status	To be done by way of Introduction
Trades	Trades not available on Listing, however, a capital raise to follow in the coming months at which stage the A Ordinary Shares will be freely transferable ranking <i>pari passu</i> with each other
Compliance	The Listing is subject to the requirements of the Memorandum of Incorporation, the Companies Act, The Listing Manual of the RSE and regulation n° 04/2017 of 02/03/2017 on the operations of the Central Securities Depository, the Rwandan Companies Act, Regulation No. 3 on capital markets (cross border introductions) and Regulation No. 7 on Capital Markets (Public Offer and issue of Securities)
Listing Date	1 June 2020
Governing Laws	The Laws of Rwanda and South Africa

6.2 Share capital

The authorised share capital of RH Bophelo is 10,000,000,000 A Ordinary Shares of no-par value and 1 B Share of no par value and there are no treasury shares. The issued share capital of the Company is:

- 58,875,000 A Ordinary Shares (*listed Shares on the JSE*); and
- 1 B Share (*unlisted share*).

The authorised and issued share capital of RH Bophelo is set out in the table below:

Authorised share capital	
10,000,000,000 A Ordinary Shares with no par value	-
1 B Share with no par value	-
Issued share capital	
58,875,000 A Ordinary Shares of no par value	643,116,465
1 B Share with no par value	1

The issued share capital of RH Bophelo is fully paid up, listed on the JSE and issued in Dematerialised form and are freely transferable without pre-emptive rights in favour of any person.

RH Bophelo has a total of 156 Shareholders.

As at 27 March 2020, the shareholding in RH Bophelo was evidenced as shown in the table below:

Evidence	A Ordinary Shares	Shareholders	Percentage
Electronic / CSDP	58,875,000	58,875,000	100.0%
Certificate Form	-	-	-
Total	58,875,000	58,875,000	100.0%

The top 3 Shareholders of RH Bophelo as at 27 March 2020 were as follows:

Shareholder	A Ordinary Shares	% holding
The Public Investment Corporation	41,354,137	70.2%
Sentio Capital Management	5,093,270	8.7%
Perthpark Properties	2,178,626	3.7%
Total	48,626,033	82.6%

As far as RH Bophelo is aware, the above Shareholders will remain as shareholders following the RSE Listing.

6.3 Approval for the Listing

The Directors have approved the Listing by Introduction of the Company’s A Ordinary Shares on the RSE and no objection has been raised by the Board in respect of the Cross Listing.

6.4 Regulatory Approvals

The CMA has approved the issue of this Information Memorandum for purposes of the Listing and pursuant to that approval, the RSE has agreed to admit the A Ordinary Shares for Listing on the RSE.

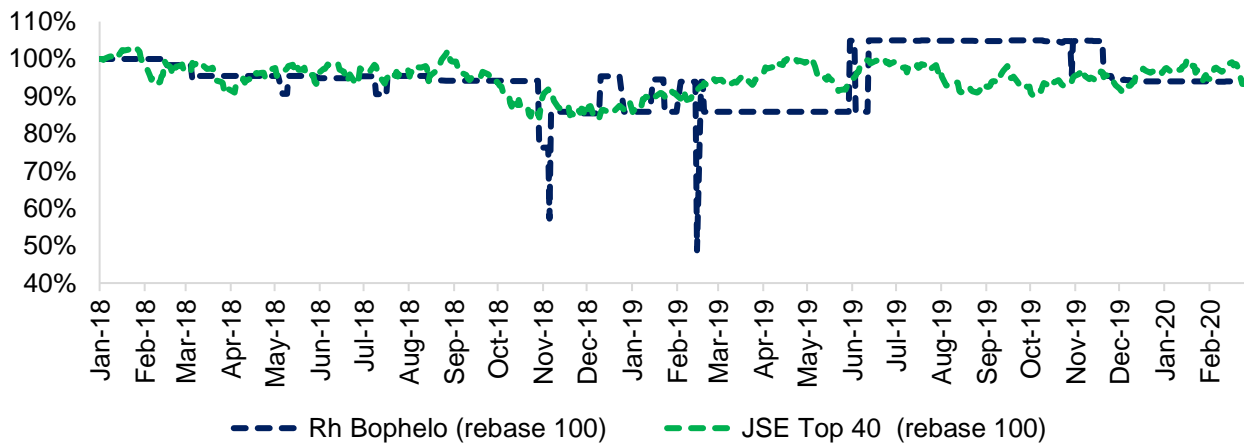
6.5 Listing Price

The Cross Listing is being done by way of an Introduction and as a result no A Ordinary Shares will trade on the RSE on Listing. In the coming months, RH Bophelo plans to undertake a capital raise, at which stage the A Ordinary Shares will trade on the RSE. With this in mind, the Listing Price will be calculated as follows:

- Use the VWAP of the A Ordinary Shares of the last trading day on the JSE prior to the Listing Date;
- Obtain the ruling exchange rate of Rand to Rwanda Francs on the morning of the Listing Date from BNR. It being noted that the exchange rate from BNR as at 22nd May 2020 was 1 Rand to 52.825110 Rwanda Francs.
- Apply this rate to the closing VWAP for the A Ordinary Shares on the JSE for the last trading day before the Listing Date; and
- Use the resulting equivalent price in Rwanda Francs as the opening price of the A Ordinary Shares on the RSE.

6.6 RH Bophelo A Ordinary Share price vs JSE Top 40 Index

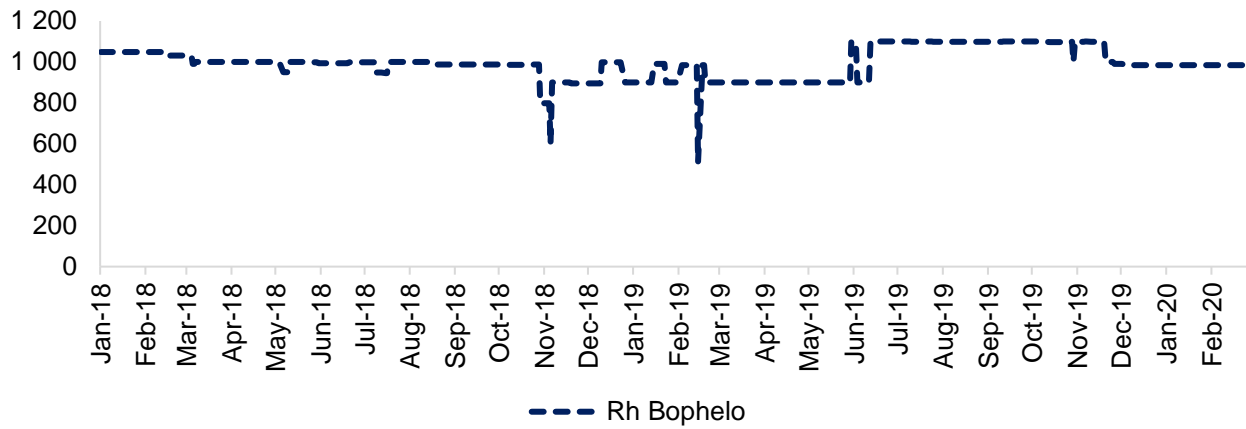
The following chart illustrates the performance of RH Bophelo’s A Ordinary Share price against the JSE Top 40 index for the period from 1 January 2018 to 28 February 2020:



Source: Capital IQ

6.7 RH Bophelo A Ordinary Share price market history

The following chart illustrates the performance of RH Bophelo’s A Ordinary Share price for the period from 1 January 2018 to 28 February 2020:



Source: Capital IQ

Monthly Performance	Highest A Ordinary Share Price	Lowest A Ordinary Share Price
September 2019	R11.00	R10.98
October 2019	R11.00	R10.00
November 2019	R11.00	R9.90
December 2019	R9.90	R9.85
January 2020	R9.85	R9.85
February 2020	R9.85	R9.84

Source: Capital IQ

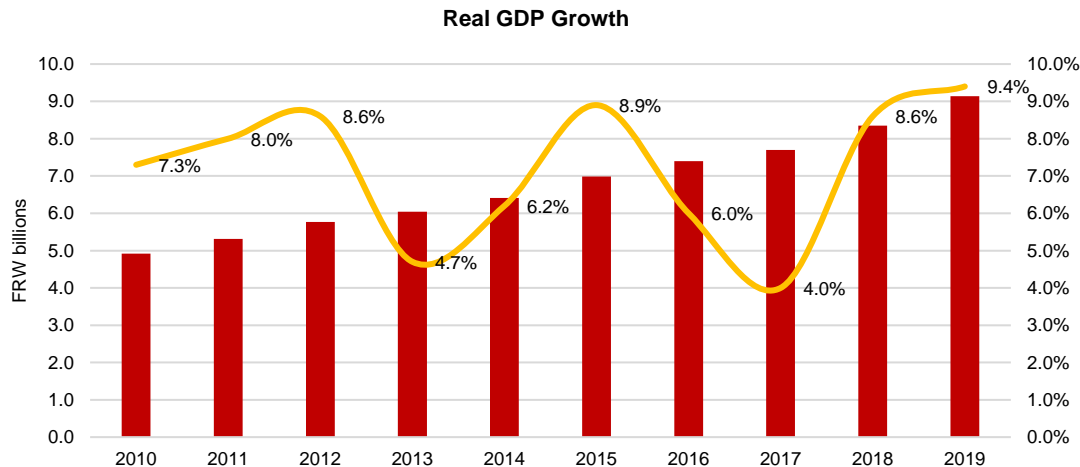
Quarterly Performance	Highest A Ordinary Share Price	Lowest A Ordinary Share Price
September 2017	R11.60	R11.16
December 2017	R11.16	R10.48
March 2018	R10.48	R10.00
June 2018	R10.00	R9.99
September 2018	R10.00	R9.87
December 2018	R9.99	R9.00
March 2019	R9.90	R9.00
June 2019	R11.00	R11.00
September 2019	R11.00	R11.00
December 2019	R11.00	R9.85

Source: Capital IQ

7. RWANDA ECONOMIC OVERVIEW

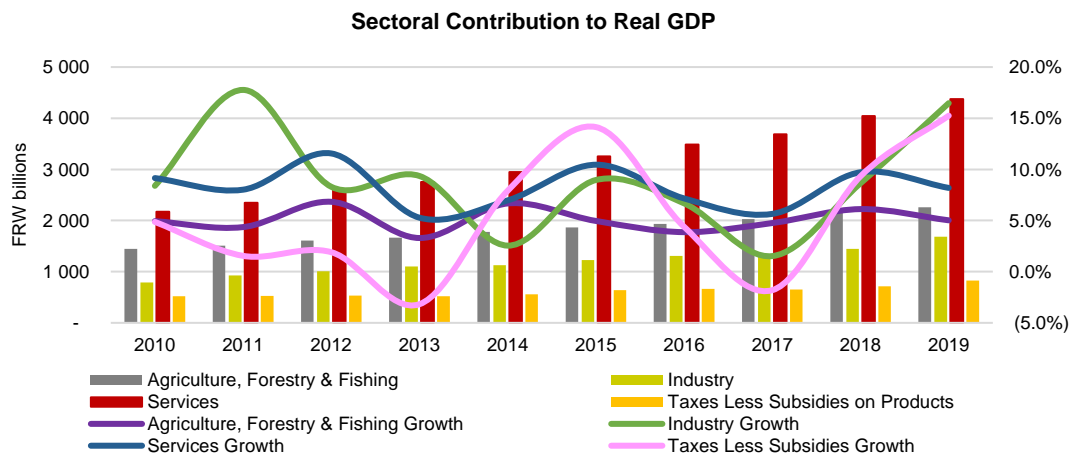
7.1 GDP Growth

According to the National Institute of Statistics of Rwanda, Rwanda's real Gross Domestic Product (GDP)¹, grew by 9.4% in 2019. This was the highest growth in GDP witnessed in the 2010 – 2019 decade.



Source: National Institute of Statistics of Rwanda

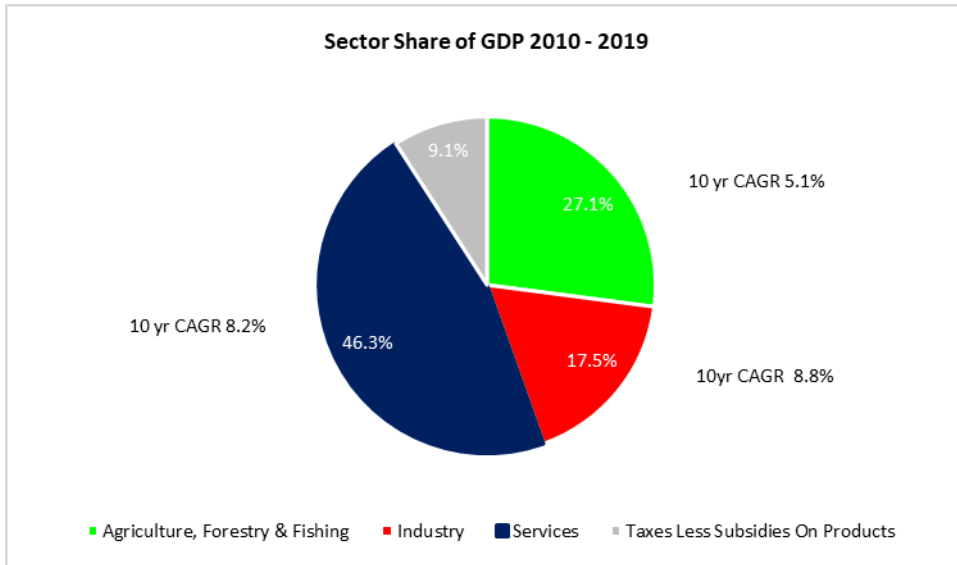
GDP growth in 2019 was mainly supported by robust growth in the industry sector. Output in the industry sector expanded by 16.5% - a significant improvement from 8.6% realized in 2018. Growth in the agriculture, forestry & fishing sector came in at 5.0% in 2019, reflecting subdued growth from 6.1% realized in 2018. The services sector (which accounted for 47.8% of total real GDP) also recorded subdued growth in 2019, easing to 8.2% from 9.7% in 2018.



Source: National Institute of Statistics of Rwanda

Over the last 10 years, Rwanda's economy expanded by a CAGR of 7.1%. Rwanda's economy has mostly been anchored by the services sector, which on average, accounted for 46.3% of real GDP and recorded a CAGR of 8.2%.

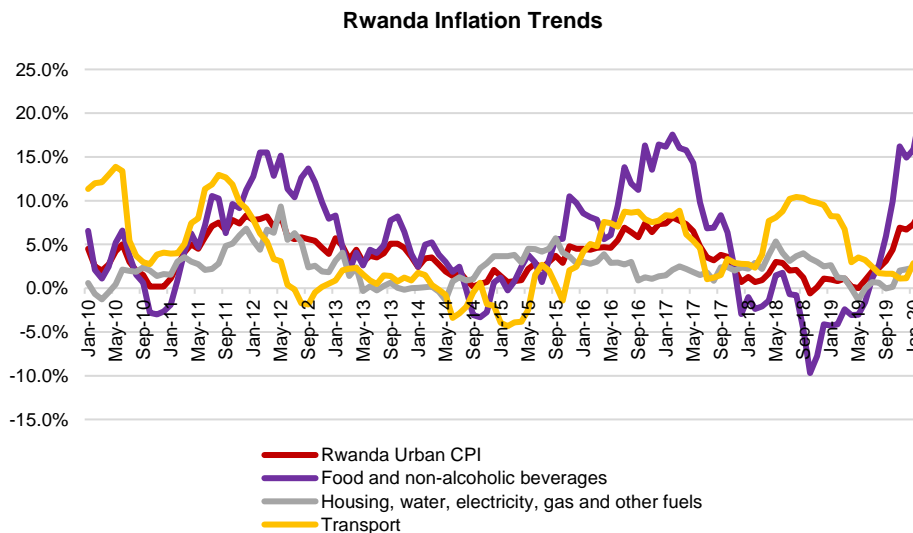
¹ Real GDP figures have been calculated using 2017 prices



Source: National Institute of Statistics of Rwanda

7.2 Inflation

Over the last 10 years, Rwanda's Urban Consumer Price Index (the headline index for monetary policy purposes) has exhibited a volatile trend.

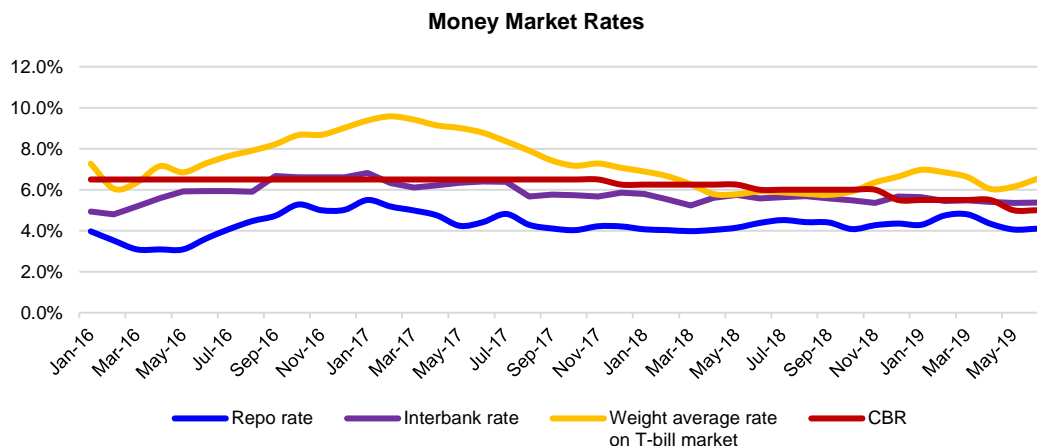


Source: National Institute of Statistics of Rwanda

In the last 10 years, Rwanda's Urban Index has experienced considerable volatility, edging down to lows as low as (0.6%) in October 2018 and highs of 8.7% in February 2020 (considerably above the National Bank of Rwanda's target band of 5.0% +/-3.0%).

The volatility has been mostly underpinned by fluctuations in food prices caused by variations in weather conditions; the food and non-alcoholic beverages index accounts for 27.0% of the Urban CPI, higher than the housing water, electricity, gas and other fuels index at 21.0% and the transport index at 12.0%.

7.3 Interest Rates



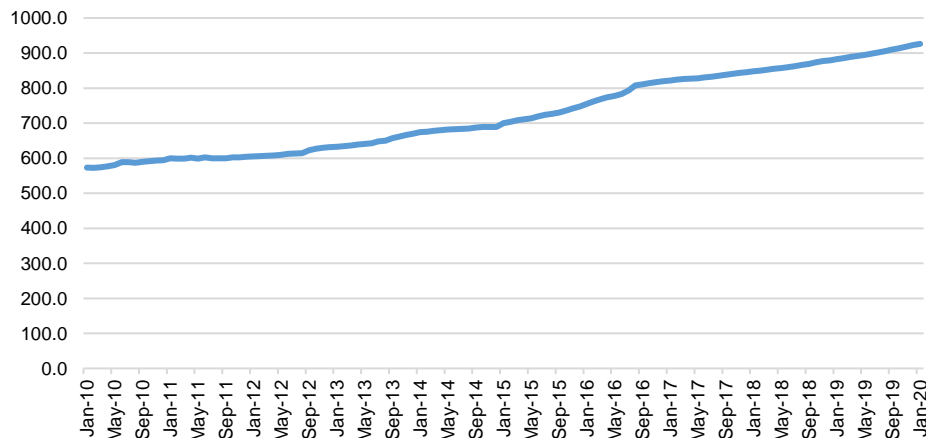
Source: BNR

Money market rates have remained generally stable in the last three years, with the exception of some volatility witnessed between July 2016 and June 2017. This period (July 2016 and June 2017) was marked by increasing pressures on liquidity in the money market – spurred by increased demand for short-term instruments following reduced demand for foreign exchange. As a result the repo rate, interbank and weighted average T-bill rate reached their peaks of 5.5% (January 2017), 6.8% (January 2017) and 9.6% (February 2017). Going forward from this period, money market rates stabilized anchored by an accommodative monetary policy evidenced by a 150 bps decline in the CBR to 5.0% by June 2019.

7.4 Rwandan Franc

Money market rates have remained generally stable in the last three years, with the exception of some volatility witnessed between July 2016 and June 2017. This period (July 2016 and June 2017) was marked by increasing pressures on liquidity in the money market – spurred by increased demand for short-term instruments following reduced demand for foreign exchange. As a result the repo rate, interbank and weighted average T-bill rate reached their peaks of 5.5% (January 2017), 6.8% (January 2017) and 9.6% (February 2017). Going forward from this period, money market rates stabilized anchored by an accommodative monetary policy evidenced by a 150 bps decline in the CBR to 5.0% by June 2019.

End of Period Exchange Rate FRW against USD

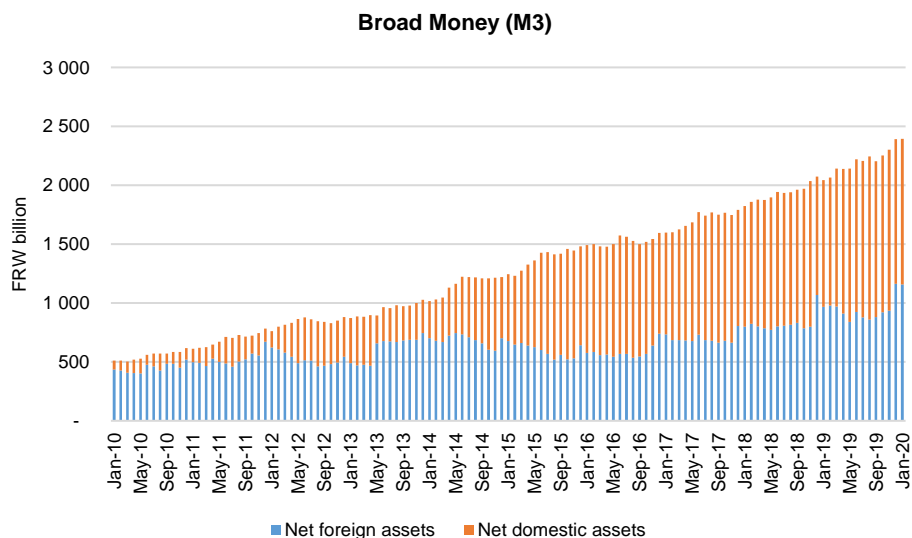


Source: BNR

According to the BNR, the persistent depreciation has been driven by the structural trade deficit between imports and exports of goods and services.

7.5 Money Supply

Over the past year, broad money supply (M3) in Rwanda has continued to adopt the rising trend witnessed in the last ten years. M3 rose by 17.3% from FRW 2.0 trillion in January 2019 to FRW 2.4 trillion in January 2020. Net foreign assets (which accounted for 43.1% of M3 – on average) supported the increase in M3 as they rose by 19.5% over the past one year to FRW 1.2 trillion in January 2020. On the other hand, net domestic assets accounted for 56.9% of M3 during this period.

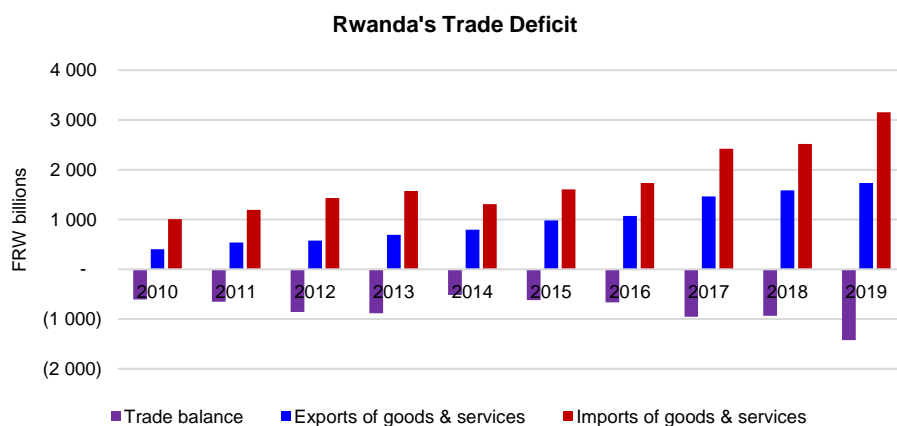


Source: BNR

Private sector credit growth remains robust in Rwanda. As at January 2020, the growth of credit to the private sector was 13.8%.

7.6 Trade Balance

Rwanda has consistently maintained a trade deficit in the last ten years as shown in the table below:



Source: National Institute of Statistics of Rwanda

In the last three years (2016 to 2019) the trade deficit has been characterized by a faster rise in imports compared to exports. Imports rose by a CAGR of 22.0% between 2016 and 2019, compared to a CAGR of

17.4% in exports. The faster rise in imports has been occasioned by high domestic demand for capital and intermediary goods to support investments in the country. Consequently, between 2016 and 2019, Rwanda's trade deficit increased by a CAGR of 28.8%.

8. OVERVIEW OF HEALTH CARE SECTOR IN SOUTH AFRICA AND RWANDA

SOUTH AFRICA

8.1 Background

South Africa's two-tiered healthcare sector, (supported by more than ~252,650 registered practitioners), provides essential services to the country's population of over 57.5 million people. During the 2017/18 financial year, combined public and private healthcare expenditure remained on an upward trajectory, breaching R400bn. However, notwithstanding the crucial role that it performs in society, the healthcare sector is at a critical juncture.

South Africa's healthcare sector comprises of the public and the smaller but fast-growing private sector. The country spent 9% of its GDP on healthcare in 2017 - higher than the 5% the World Health Organisation recommends for a country of its socio-economic status. Despite this high expenditure, health outcomes remain poor in comparison with similar middle-income countries. This poor performance is attributed mainly to the inequalities between the public and private sectors. In order to abolish this inequality, the African National Congress is in the process of implementing national health insurance in order to obtain universal healthcare in the country, which aims to provide the population with health services they need while making financial contributions according to their ability to pay.

The South African healthcare providers sector has experienced significant growth, which is set to continue. High levels of inflation have been increasing medical expenditure, as it is more expensive for the country to import medicines and medical equipment. However, the growth of expenditure has exceeded inflation overall, increasing in real terms, which means the quality of healthcare has improved.

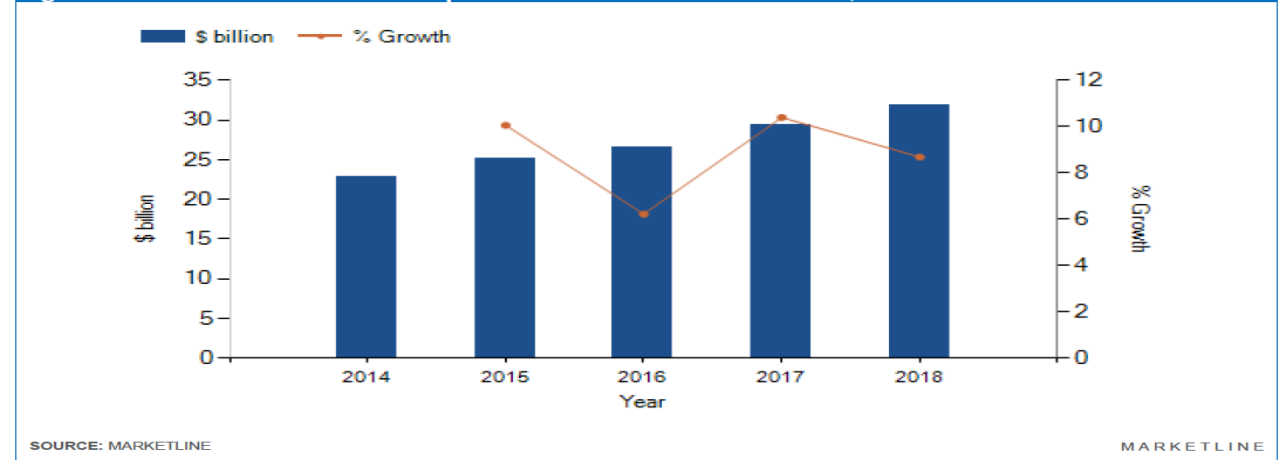
The South African healthcare providers sector had total revenues of \$31.9bn in 2018, representing a CAGR of 8.8% between 2014 and 2018. In comparison, the Nigerian and Egyptian sectors grew with CAGRs of 12.4% and 15% respectively, over the same period, to reach respective values of \$13.3bn and \$9.8bn in 2018.

A key aspect of the growth potential of healthcare expenditure is the growing population, which guarantees augmented demand for healthcare services in the future. Rising income will also increase demand for higher quality healthcare. On the other hand, a rapidly aging population will preserve healthcare expenditure at significant growth rates.

Table 1: South Africa healthcare providers sector value: \$ billion, 2014–18

Year	\$ billion	ZAR billion	€ billion	% Growth
2014	22.8	301.8	19.3	
2015	25.1	332.1	21.3	10.1%
2016	26.6	352.8	22.6	6.2%
2017	29.4	389.5	24.9	10.4%
2018	31.9	423.3	27.1	8.7%

Figure 1: South Africa healthcare providers sector value: \$ billion, 2014–18



The South African healthcare providers sector grew by 8.7% in 2018 to reach a value of \$31.9 billion. The CAGR of the sector in the period 2014–18 was 8.8%.

8.2 South Africa - Private healthcare

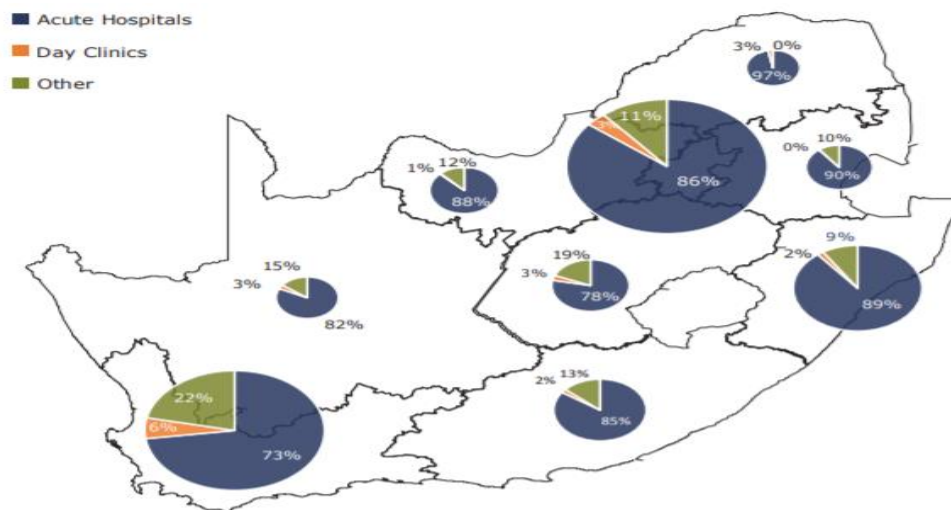
South Africa’s low gross domestic product growth rate coupled with high levels of unemployment and low business confidence impacts the challenges to the healthcare sector. Ongoing political and policy uncertainty together with volatile exchange rates have an adverse impact on the cost of medical equipment and medical consumables. The sector is also met with challenges of ageing infrastructure with inadequate maintenance and as a result we are prone to supply shortages/breaks in electricity and water.

The challenging macro-economic environment has prompted healthcare providers to implement strategies to maximise efficiencies.

RH Bophelo is actively seeking ways in which to self-service both its energy and water needs. In the case of energy, we will utilise renewables (wind, solar, and battery), to reduce our reliance on the national electricity grid. With respect to water, the RH Bophelo group will examine ways to both save water and utilise same more efficiently.

There are an estimated 215 private hospitals in South Africa alongside an estimated 400 public hospitals. The sector has over 248,500 people employed by private hospitals which requires significant investment. It is estimated that for every R10 million worth of capital investment, private hospital groups create 20 job and for every person directly employed by private hospital groups, almost 5 additional (formal and informal) jobs are supported in the South African economy. In 2017, capital expenditure of R10 million into private healthcare stimulated R7.3 million in GDP

- The map below shows the distribution of the licensed facilities across provinces
- The size of the pie charts indicates the number of beds in each province, relative to the number in other provinces
- Each pie chart indicates the distribution of the province’s beds by type of facility



¹ Source
Econex: Private hospitals contribution to the South African economy – Sep 2017

Notably, there is a shift toward day hospitals. According to Discovery (*South African Medical Aid*), there are currently 90 day-hospitals in South Africa with an estimated bed capacity of ~1,279.

8.3 South Africa - The relevant role players in the private sector include:

- Netcare Limited

- Life Healthcare
- Mediclinic Limited
- Lenmed
- Clinics
- Busamed
- Cure Day clinics
- Advanced Health
- Intercare-Mediclinic
- Discover Health (medical aid)

The bulk of the total healthcare expenditure by schemes still goes toward hospitals as percentage of overall spend, but within hospital expenditure, acute hospitals still account for the lion's share.

RWANDA

8.4 Background

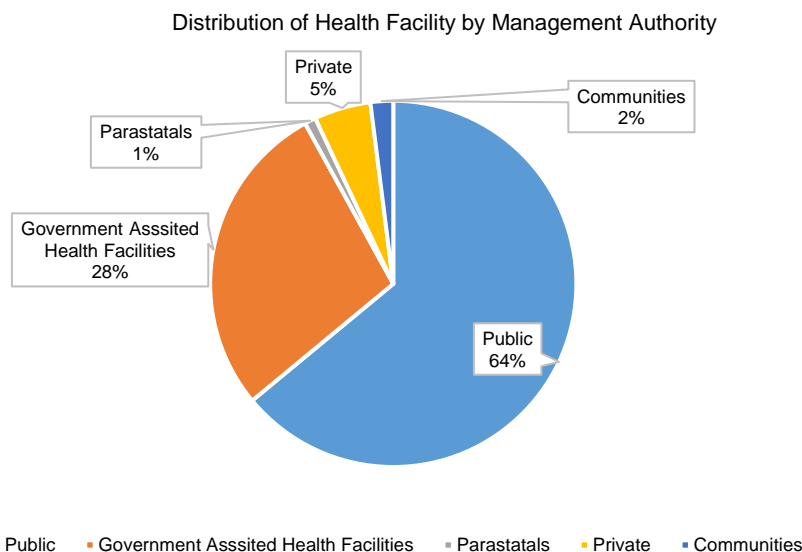
Before the 1994 genocide against Tutsis, Rwanda's health system was characterized by a high degree of centralization and free provision of services. During the genocide, much of the health infrastructure was destroyed while the health workforce was either killed or had to flee the country. The period between 1994 and 2003 saw rehabilitation and reconstruction of the health system and filling gaps in human resources in the sector (World Health Organization-WHO). Additionally, from 1995, the Ministry of Health began implementing reforms according to the Lusaka Declaration of 1985 (the Lusaka Declaration was a declaration of the Commonwealth Nations on the issues of racism and egalitarianism within and between Commonwealth member states). The reforms made in Rwanda included decentralization of the health system, development of the primary healthcare system and community participation in managing health service financing.

Between 2000 and 2003, a number of institutional reforms were implemented, notably:

- Establishment of the National AIDS Control Commission as an advocacy to fight HIV/AIDS;
- Merging of the Malaria, HIV/AIDS and tuberculosis programs into the Centre for the Treatment and Research on AIDS, Malaria, Tuberculosis and other Epidemics;
- Creation of the Central Procurement Agency for Essential Medicines in Rwanda (CAMERWA), responsible for the procurement, storage and distribution of drugs and consumables for the public sector;
- Development of the health insurance policy and institutionalization of the community based health insurance (CBHI) policy.

8.5 Structure of the Health System

Formal health services in Rwanda are provided through the public sector, government-assisted health facilities (locally known as *agréé*, includes faith based organizations) and private health facilities.



Source: HMIS National Health Facility Database 2010

The administrative organization of health sector in Rwanda consists of three levels; the central level, the intermediary level and the peripheral level.

The Central Level: The central level organizes and coordinates the intermediary and peripheral levels of the health system and provides them with administrative, technical and logistical support. It comprises of the Ministry of Health (MOH), Rwanda Biomedical Centre (RBC) and the National referral and teaching hospitals, the functions of which are set out as follows:

- Ministry of Health (MOH): The responsibility of the MOH at central level is to formulate policies and strategies, ensure monitoring and evaluation, facilitate capacity building and mobilization of resources;
- Rwanda Biomedical Centre (RBC): The core functions of the RBC include coordination and improvement of biomedical research activities, coordination of various activities geared towards the fight against communicable and non-communicable diseases, provide high-level technical expertise in the health realm, ensure availability of medicines and medical supplies at all times in health facilities and establish strategic relations with regional and international institutions, so as to achieve the strategic health goals; and
- National referral and teaching hospitals: These provide tertiary care to the population. These include King Faisal Hospital (KFH), Rwanda Military Hospital, Kigali University Hospital (CHUK), Butare University Hospital (CHUB) and Ndera Hospital for mental health and psychiatric care. King Faisal hospital provides a higher level of technical expertise than that available in other national referral hospitals to both the private and public sector.

Intermediary level: The referral and provincial hospitals form an intermediary level of referral hospitals at the province level. These help decrease the pressure of demand for services in the national referral hospitals. So far, three district hospitals have been upgraded to referral hospital level (Ruhengeri, Kibuye and Kibungo hospitals) and four district hospitals have been upgraded to provincial hospital level (Rwamagana, Bushenge, Ruhango and Kinihira).

The Peripheral Level: The peripheral level is represented by the health district and consists of an administrative office (DHU), a district hospital (DH), and a network of health centers and health posts (HCs / HPs).

The District Health Unit (DHU) is an administrative unit in charge of coordination of the provision of health services (including the private sector) and responsible for planning, monitoring and supervision of the decentralized implementing agencies. It reports to the Vice Mayor in charge of social affairs.

The District Hospital (DH) provides health services that include inpatient / outpatient services, surgery, laboratory services, gynecology-obstetrics, radiology, mental health, dental and eye services.

The HCs provide preventive services, primary health care, in-patient care, referrals, and basic maternity services, while the HPs provide services such as immunization, family planning, growth monitoring and antenatal care.

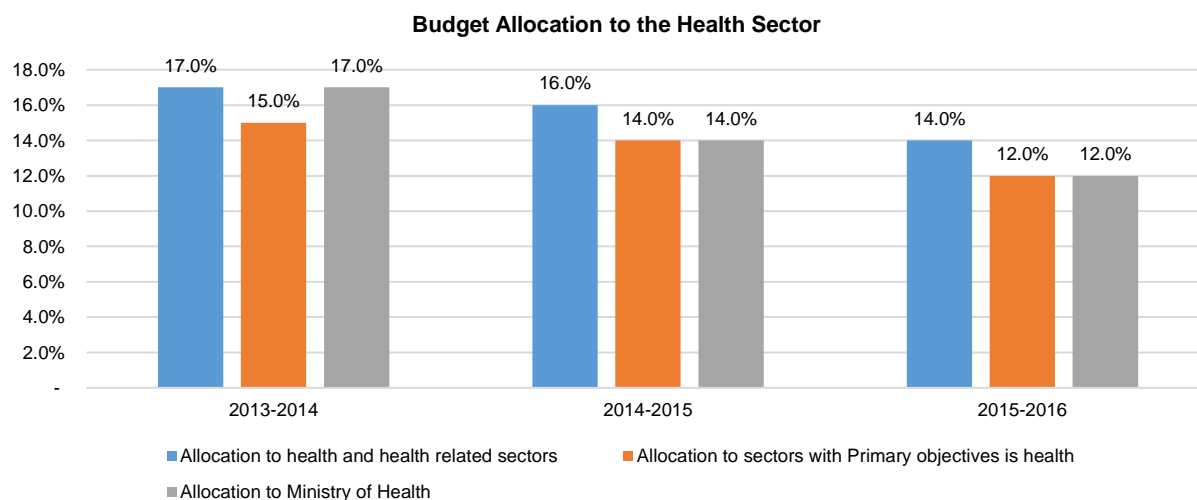
At the village level, Community Health Workers (CHWs) provide prevention, promotion and some curative health services. Community health services are integrated into the community development services and administrative structures. There are 499 Health Centres spread-out all over the country.

Administrative Level	No. of Administrative Units	Health System Structures	No. of Health Facilities/Workers
Villages/Imidugudu	14,837	Community Health Workers	45,516
Cells/Akagari	2,148	Health Posts	476
Sectors/Imirenge	416	Health Centres	499
Districts/Uturere	30	District Hospitals	36
		District Pharmacies	30
Provinces	5	Provincial Hospitals	4
National		National Referral and Teaching Hospitals	8
Referral Systems		Ambulances/Pre-Hospital care systems(PHCS)	225
Registered Facilities			250
Private Health			

Source: Ministry of Health

8.6 Health Financing

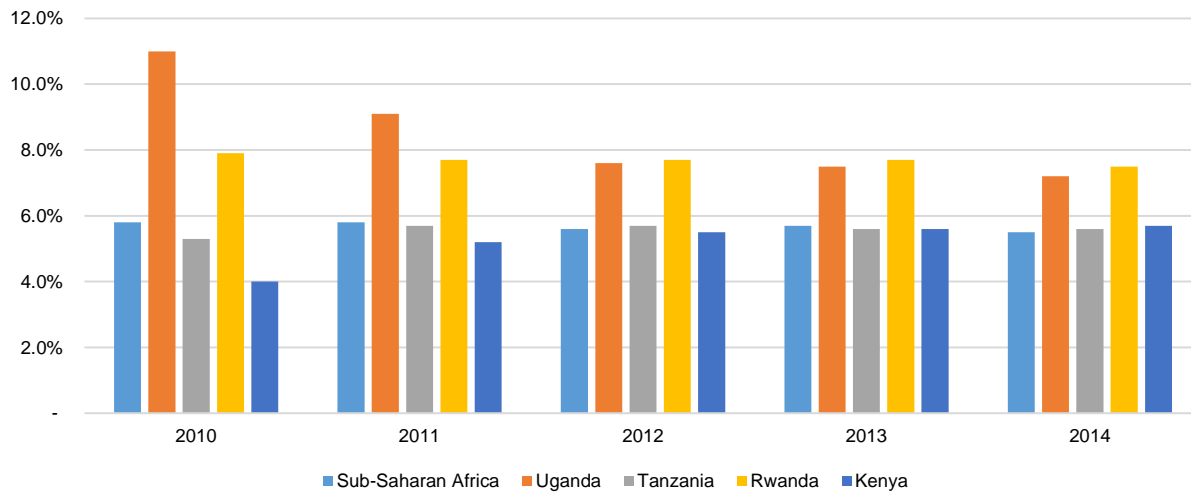
Rwanda is among a handful of countries in Africa that have met the target set by the Abuja Declaration of allocating 15.0% of government budgets to the health sector.



Source: MOH

As the chart below shows, the budget allocation to health sector in Rwanda is higher than most East African countries.

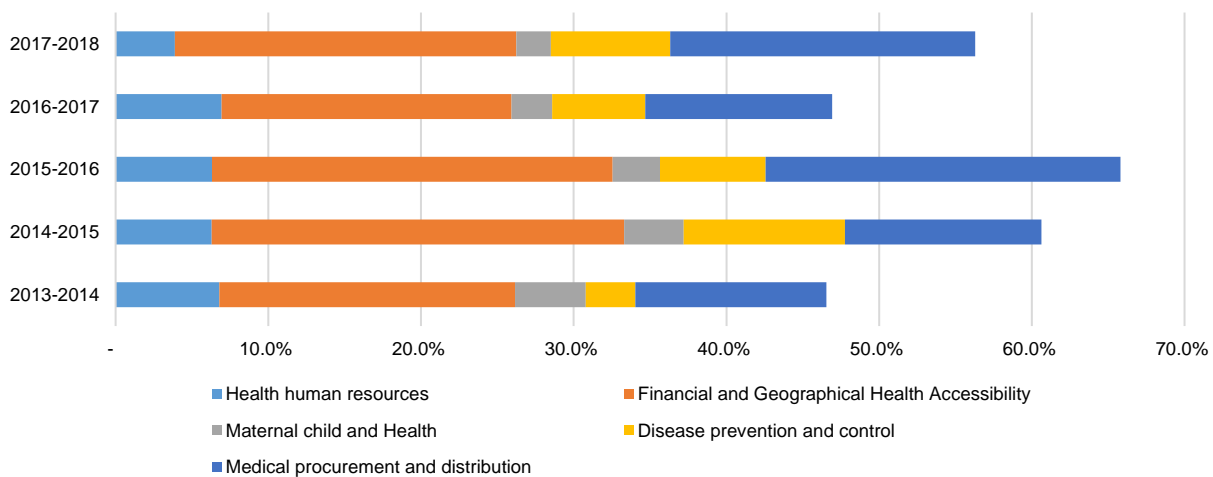
Budget Allocation to the Health Sector



Source: UNICEF

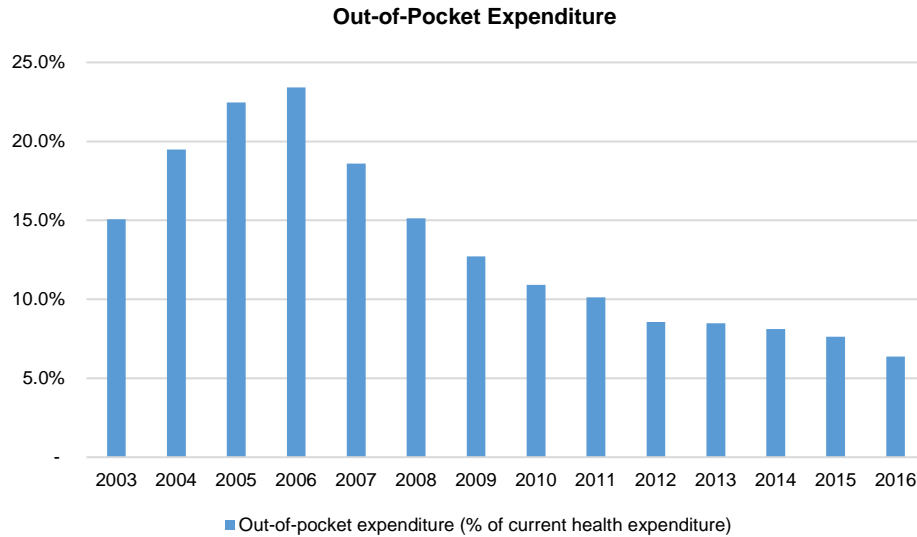
External financing of the national health budget has been reducing. According to UNICEF, external financing constituted 59.6% in the 2013/2014 budget but had declined to 23.4% in the 2016/2017 budget. Although having a lower external financing is desirable, in the short term, it may put more pressure on the government to raise revenue to meet the shortfall. In case this does not happen, service delivery may be hampered. Between 2013 and 2018, according to UNICEF, a large amount of the budget was allocated to financial and geographic accessibility of health services, which include health infrastructure, subsidization to health insurance and performance-based financing (PBF).

Budget Allocation to Core Health Programs



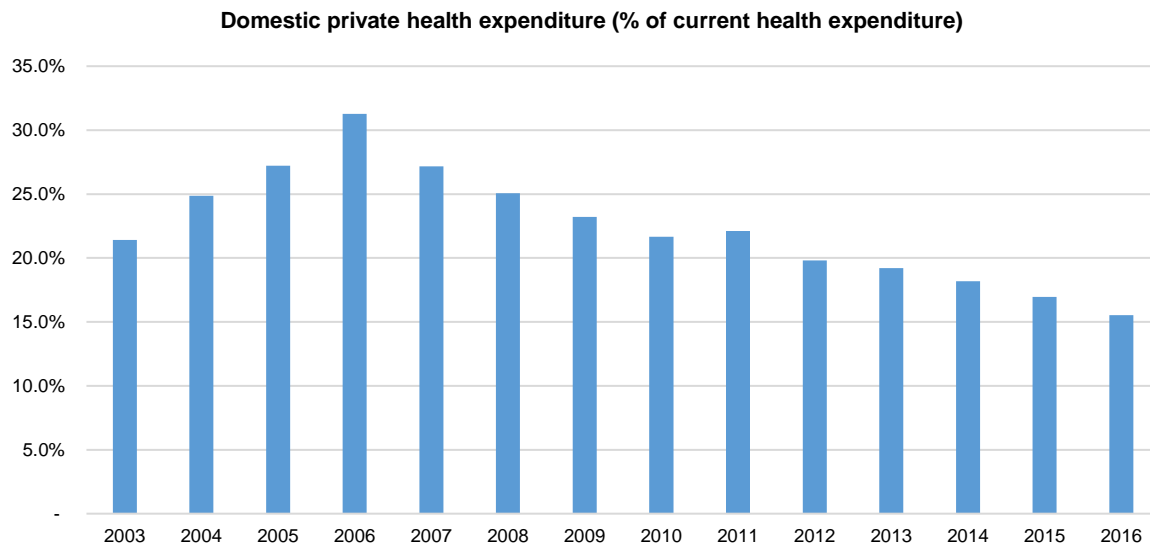
Source: UNICEF

Insurance uptake is high in Rwanda in part due to existence of publicly managed insurance schemes. It also became mandatory to have health insurance from 2008. There are three publicly managed health insurance schemes: CBHI (mutuelles), La Rwandaise d'Assurance Maladie or RAMA (mostly for civil servants) and Rwanda Military Medical Insurance or MMI (for the military). According to the MOH, coverage of health insurance stood at 83.6% of the population for CBHI (as of June 2017) and at 90% if all health insurance schemes are included. Due to the high participation rates, out of pocket expenditure has been declining for the most part since 2006 as shown below.



Source: World Bank

The rising cost of health care has put into question the sustainability of these public healthcare insurance schemes. In December 2016, the Government of Rwanda increased the cost of health services. RAMA health insurance would experience an increase of 25.0% on previous tariffs, while those covered by MMI and other private health insurance holders would see an increase of 15.0 % (UNICEF). According to UNICEF, this will likely lead to rise in out of pocket expenditure. Additionally, even with the subsidized flat premiums (c. USD 2.0 per person p.a.) on CBHI, a number of studies have shown that some families (especially large ones) cannot afford the premiums. Contribution of the private sector (both in insurance and overall expenditure) has been low.



Source: World Bank

8.7 Health Sector Performance

As result of the relatively high financing of the health sector and institutional reforms, Rwanda health sector has made positive gains over the last 15 years as shown below. Notably, Rwanda has made great strides in meeting several Millennium Development Goals (MDGs), including Goal 4 on reducing child mortality and Goal 5 on improving maternal mortality (UNICEF).

Key Indicators	2000	2005	2010	2015
Neonatal mortality rate per 1,000 live births	44	37	27	20
Infant mortality rate per 1,000	107	86	50	32
Under 5 mortality per 1,000	196	152	76	50
Maternal Mortality rate per 100,000	1,071	750	476	210
Stunting (%)	51.1%	48.3%	44.2%	37.9%
Institutional Deliveries (%)	27.0%	28.0%	69.0%	91.0%

Source: UNICEF

According to the World Health Organization, between 2015 and 2017, the doctor–inhabitant ratio improved from 1:15,428 to 1:8,592, while the nurse–inhabitant ratio improved from 1:1,200 to 1:1,070.

Despite these milestones, the sector continues to have challenges. Apart from the health financing challenges mentioned earlier, other challenges facing the health sector include:

- The change from mainly infectious diseases in the younger age-groups towards increasing numbers of non-communicable diseases often in older age groups;
- Disparity in lifestyle related morbidity and mortality patterns between urban/rural populations; and
- Gaps in skills mix, a high staff turnover and limited career development opportunities for health professionals at different levels of the health sector.

The Health Sector Strategic Plan (2018-2024)/HSSP4 seeks to address some of these challenges. Some of the priority areas in the HSSP4 include:

- Increase the uptake of family planning services by integrating these services in antenatal and post-natal care and expansion of social marketing for various contraceptives;
- Address stunting through focus on Early Childhood development;
- Increased usage of social media platforms to improve uptake of health interventions;
- Increase private sector engagement to support health systems development and expand specialized care and service provisions such as local production of medicines and medical products; increasing availability of medical products through social marketing; building of Health Posts, malaria control through environmental measures; health financing and support ICT for health information systems;
- Introduction of a retention strategy for CHWs and health professionals (doctors, nurses, midwives, paramedical staff) in order to reduce the attrition rate;
- Strengthen the regulation of Traditional, Complementary and Alternative Medicine (TCAM) in order to mitigate any malpractice and threat to public health. This will include development of a regulatory framework, which will define the spectrum, scope, entry requirements and code of conduct of TCAM practices; and
- Improving service delivery systems. This will include expansion of health posts and exploring the use of new technologies such as tele-medicine to offer consultancy services.

8.8 RH Bophelo opportunities

A significant case exists to provide the initial investments in setting up infrastructure in Rwanda specifically targeting specialized services provision and it is in this regard that RH Bophelo envisages that it will be able to play a role and sees the following opportunities:

Increasing infrastructure capacity in Rwanda

Development of healthcare infrastructure to provide appropriate places for healthcare delivery based on the resource capacity in the country.

Partnership with Rwanda government in providing healthcare services

- The government still needs to build more referral hospitals across the country. RH Bophelo sponsors possess the financing, development and operational skills to be involved in this.
- RH Bophelo can operate government facilities in PPP arrangements.
- The Ministry of Health believes that private healthcare services will complement the activities of the public sector. RH Bophelo sees an opportunity to provide this private healthcare infrastructure.

Relationship with the RH Africa Fund and RH Managers

- RH Africa Fund I is an African private equity fund whose mandate is to provide equity to finance the construction of hospitals and investment in operating healthcare assets. Given the relationship between RH Bophelo, RH Managers and the RH Africa Fund, there is an opportunity for RH Bophelo to invest alongside the RH Africa Fund in certain co-investment opportunities.

Additional opportunities to invest in healthcare infrastructure in Rwanda

- Partnering with local doctors and healthcare professionals to develop hospitals.
- Providing equity contributions to the projects, with an option to take majority or minority stake in the projects.
- Leveraging investments by raising debt from local banks and other developmental finance institutions.
- RH Bophelo will co-invest with RH Manager's Africa Fund with investments going into healthcare assets.
- RH Bophelo's focus is to generate returns, however, in generating those returns, RH Bophelo realises that investment in the Rwanda healthcare sector means improvement in the quality of life of local citizens making the return both economic and social ~
 - Making healthcare more accessible and affordable;
 - Upskilling and empowerment of local medical staff;
 - Job creation;
 - Decreasing the spread of HIV/AIDS;
 - More productive employees through better health;
 - Increase in GDP; and
 - Treatment of preventable diseases.

9. RH BOPHELO BUSINESS OVERVIEW

9.1. Company Profile

Beneficial Shareholding of Subsidiaries

RH Bophelo Group structure including all Subsidiaries and respective holdings are provided in paragraph 5.3.

Vision Statement

Invest along the healthcare value chain in the manner that it improves the reach of healthcare services to Africans ranging from lower to middle-income earners and to achieve clinical excellence through our investments. Our vision stems from the belief that wealth indirectly comes from good health.

Mission statement

RH Bophelo is a healthcare investment company dedicated to working closely with entrepreneurs, medical professionals and experienced business partners to service the gap between public and private healthcare sectors. This has been achieved by making acquisitions that can support our vision of providing affordable quality healthcare services for lower to middle-income earners, whilst offering superior value to our stakeholders.

Through our investments, the business is focused on the upliftment of communities and its services by providing socio-economic value creation and development as well as contributing to the ongoing transformation process.

Core values

In Africa, it is often said that “*an ailing hunter cannot catch a wounded buck*”. From ancient African generations to modern times, this indigenous wisdom on health has always rung true.

Our early patriarchs lived out this proverb with an understanding that the foundation of success begins with the sustenance of good health.

So the men and women of old invested their valuable time and wealth to seek out rare herbs and remedies from the lands of their communities. Leaves were crushed, seeds were sifted, and wild plants with medicinal properties were grown. This produced lush fields for the healing of their communities.

Today, that timeless principle has not shifted. RH Bophelo takes that ideology to heart. We understand that without health, children will not rise in the early hours of the morning and go to school to secure their future. Without health, a worker cannot lay a brick and build a high-rise. Without health, the fastest runner could never win the lowest-ranked medal. Without health, the breadwinner cannot bring back home the bread. Without health, there can be no prosperity.

And for these reasons and more, we do our best to invest our time and our WEALTH in HEALTH. Because ultimately, **Health is Wealth**.

Status of the Company

RH Bophelo is incorporated in South Africa under the Companies Act. The registration number is 2016/533398/06. The Public Investment Corporation is the largest shareholder with remaining shareholding held by local South African companies, asset managers and pension funds through the JSE.

Registered Office

The Company has its registered office at 3rd Floor, 18 Melrose Boulevard, Melrose Arch, Melrose North, Johannesburg, 2076, South Africa.

Company Secretary

The company secretary is Corporate Vision Consulting Proprietary Limited located at Prism Business Park, Building 1, Ruby Close, Fourways, Gauteng

Auditor

The Auditors of the Company are Deloitte & Touche, Head Office: Deloitte Place, 5 Magwa Crescent, Waterfall City, Midrand, Johannesburg, 2090, South Africa.

Advisors

JSE Transfer Secretaries

The JSE share registrar of the Company is Computershare Investor Services Proprietary Limited (Registration No. 2004/003647/07), Head Office: Rosebank Towers, 15 Biermann Ave, Rosebank, Johannesburg, 2196, South Africa.

Lawyers

The lawyers of the Company are Edward Nathan Sonnenbergs Inc., Tower 1, The MARC, 129 Rivonia Road, Sandown, Sandton, 2196.

Bankers

The bankers to the Company are First National Bank.

9.1 Board of Directors

As disclosed in paragraph 14 of this Information Memorandum – the Corporate Information, the Board is comprised of the following members, drawn from different professions, with diverse skills and experience.

Name	Age	Capacity
Quinton Zunga	43	Chief Executive Officer
Vuyokazi Phatheka Nomvalo	39	Executive Director
Katekani Dion Mhlaba	34	Chief Financial Officer
Colin Wayne Clarke	56	Chairman of the Investment Committee and Executive director
John Rabagadi Oliphant	38	Non-executive chairman
Dr Phetole David Sekete	66	Non-executive director
Dr Solomon Gabriel Motuba	57	Lead Independent Non-Executive Director / Risk and Audit Committee
Dr Kgaogelo Rachel Ntshwana	44	Independent Non-Executive Director / Risk and Audit Committee
Bojane Segooa	35	Non-Executive Director / Social and Ethics Committee
Dinao Modirwadi Lerutla	40	Non-Executive Director / Audit Committee and Investment Committee
Mmamodiane Refiloe Nkadimeng	39	Non-Executive Director / Audit Committee

9.2 Management

Management of RH Bophelo has been outsourced on market related terms to the Management Company in terms of the Management Agreement.

The Board, as a whole, considered and approved the terms and conditions of the Management Agreement prior to RH Bophelo entering into same. The independent Directors of RH Bophelo shall perform an annual review of the Management Company's performance and, if required, make appropriate recommendations to Shareholders. In addition, the Directors of RH Bophelo will assess the performance of the Management

Company based on the quality of assets identified and investments made by RH Bophelo, as well as the return on such investments to Shareholders. If poor investments result in poor returns to Shareholders, the independent Directors may make appropriate recommendations to Shareholders to terminate the Management Agreement.

The Board is responsible for ensuring that the Company complies with all of its statutory and regulatory obligations, including but not limited to the Companies Act, the MOI, and the JSE Listings Requirements.

Directors of the Management Company are as follows:

Name	Position
Quinton Zunga	Chief Executive Officer
Katekani Dion Mhlaba	Chief Financial Officer
Colin Wayne Clarke	Executive Director
John Rabagadi Oliphant	Executive Director
Fulufhelo Makwetla	Executive Director

9.3 Direct or Principal investments

RH Bophelo has made the following direct or principal investments in shares and other undertakings over the past 2.5 years since listing in July 2017:

- Eight (8) hospitals (*St Helena Private Hospital, Fountain Private Hospital, Fochville Private Hospital, Vryburg Private Hospital, Rondebosch Medical Centre, RH Fauchard Day Hospital, Medicare Private Hospital, RH Bell Hospital*);
- 2 hospital operators AHC and Botshilu Management Company;
- UMA - Healthcare insurance company (www.wesmart.co.za);
- Genric - short-term underwriter (www.genric.co.za); and

Portfolio overview

i. Africa Healthcare

- Acquisition was for 60% (*and further acquisition of remaining 40% below*) of the equity in AHC for R62.5m (R50m in cash and R12.5m in new A Ordinary Shares issued at RH Bophelo's 30-day VWAP) plus "agterskot" arrangement.
- Purchase consideration represented a 6.6x (EV/EBITDA historic) and a 3.2x (EV/EBITDA forward) and a 29.7%.
- Africa Healthcare now has a R122m capital exposure, RH Bophelo bought an additional 40% of equity at Africa Healthcare valued at R60m in September 2019 which resulted to 100% ownership by RH Bophelo.
- The Africa Healthcare Group has 3 operational hospitals with 331 beds as well as the nursing college.

ii. Vryburg Hospital

- Acquisition was for 81% of the equity in VPH for R25.8m.
- Purchase consideration represents a 8.2x (P/E historic) and 3.4x (P/E forward).
- Vryburg hospital was acquired in April 2018 and it is under the management of Africa Healthcare.

iii. Rondebosch Medical Centre (“RMC”)

- RMC is an acute 123 bed hospital (with the capacity and potential to reach above 200 beds).
- Acquisition was for 30% with an option for 21% in 4 years’ time for an equity cheque of R0.2m and a shareholder loan of R49.8m.
- Valuation of the projected future cash flows of RMC and believes that the equity value of RMC (100%) will be between R34.6m and R51.7m (5.7x – 8.4x EV/EBITDA – FY20).
- In March 2020, RH Bophelo acquired the remaining 70% of RMC for a total consideration of R93.75m.

iv. Medicare Private Hospital

- Medicare is an acute 110 bed independent private hospital conveniently located in Rustenburg, North West Province.
- Can operate as a 117-bed facility and further opportunity to expand the 4th floor and add an additional 30 to 60 beds.
- Acquired 51% of the operating entity for R57.0m (purchase settled through cash and the issue of 2.5m RH Bophelo A Ordinary Shares at 30-day VWAP) which equates to a P/E of 7.8x (FY19 forward).
- Acquired 50.1% of the property entity for R92.7m (purchase settled through cash and debt) which equates to a yield of 10.5%.

v. Fauchard Hospital

- Fauchard hospital is a day clinic based in Gauteng province with a total of 16 beds. RH Bophelo acquired 100% of its equity in September 2019 for a consideration of R25m.

vi. Netcare Bell Hospital

- Bell Hospital is a 31-bed private psychiatric hospital situated in Krugersdorp
- Acquisition was for 100% of –
 - Fixed assets for R1.6mn
 - Property for R53.6m
- Assets represents a historic P/E of 2.3x

vii. Wesmart Insurance

- Wesmart is an insurance company which RH Bophelo acquired 60% of its equity in May 2019 for R2.8m.
- The insurance company was acquired with an intention of providing affordable medical health to the country’s citizens and ensure that the public hospitals are not overcrowded as more people will be able to afford access to our hospitals using the Wesmart insurance product.

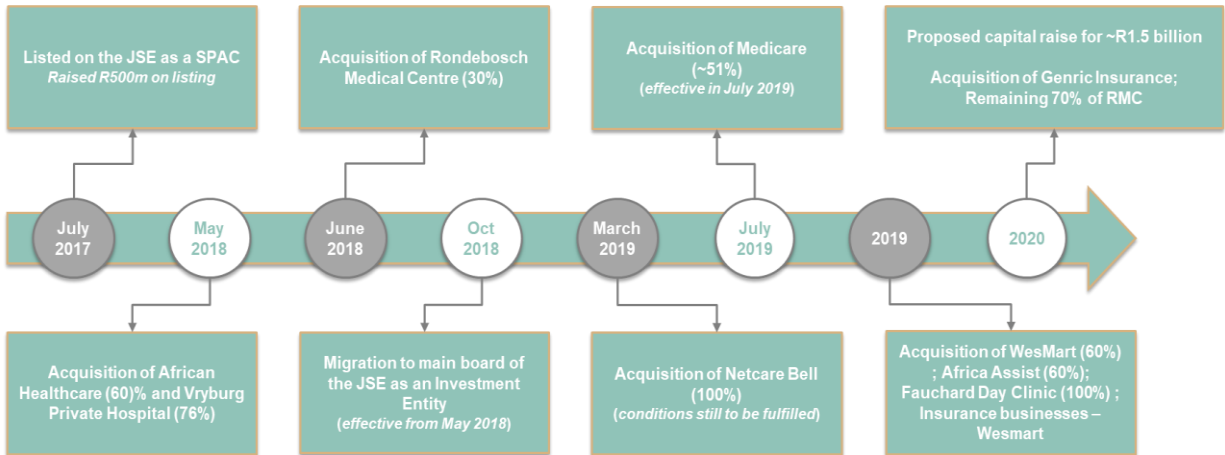
viii. Generic Insurance

- RH Bophelo acquired 25% holding at Generic insurance for R45m in cash and R7.5m worth of A Ordinary Shares in RH Bophelo Ltd, based on a 30 day VWAP after September 2019.

10. RH BOPHELO HISTORY & MILESTONES

RH Bophelo was incorporated on 13 December 2016 and issued with registration number 2016/533398/06 and listed as a SPAC in July 2017.

10.1 RH Bophelo corporate milestones



The listing allowed for the general public to acquire shares in a fully black-owned and entirely African healthcare company, offering growth and returns in a defensive asset class...

...RH Bophelo is contributing to the socio-economic value creation and development of South Africa, making an important contribution to ongoing transformation in the country

10.2 Key Success Factors

Management and corporate structure

The management and corporate structure of RH Bophelo has been set up in a way that leverages RH Bophelo's ability to raise capital from the listed market.

Strategy

RH Bophelo is building an ecosystem of networked investments focused on the healthcare sector. This network includes infrastructure and related access products that increases RH Bophelo's value chain and expands RH Bophelo's reach and footprint to its target market (being the lower and middle-income earners). Creating an eco-system is achieved through innovative access products and builds on strategic partnerships in order to leverage growth. The strategy is built on 3 (three) main pillars, which are as follows:

Hospital infrastructure network

Amounts to 70% (seventy percent) of the capital base and capital allocated. The model of the strategy is "hub and spoke" based on 10 (ten) entry-level hospitals to 1 (one) specialized hospital (*this is directly inverse to other major hospital groups, that do 10 (ten) specialized to every 1 (one) feeder*).

This hub and spoke model (based on 10 entry-level hospitals and 1 specialized hospital) sees RH Bophelo investments integrating into ancillary services in hospital management, emergency medicine and information technology to bolster earnings and provide the best possible experience to clients. RH Bophelo's target of 40 hospitals in this pillar.

Co-owned

This is allocated 20% (twenty percent) of the capital base. RH Bophelo recognises that we cannot compete on capital base with other incumbents. As such, it is important to invest and support co-ownership structures that

allow a bigger footprint on lower committed capital. This effectively gives RH Bophelo a multiplier effect. RH Bophelo has access to the following:

- Long term development and property funds; and
- A potential investment in funding platforms to support infrastructure expansion opportunities, pipeline for growth, and moreover capital appreciation return.

RH Bophelo investor base can benefit from potential operating contracts for these hospitals, which will indirectly contribute to the bottom line whilst increasing footprint without the large capital outlays. RH Bophelo owns two hospital operators currently managing 12 hospitals not owned by RH Bophelo.

Management contacts

Currently RH Bophelo through its investment into Africa Healthcare and Botshilu Management Company manages over 10 hospitals that are co-owned (such as Kiaat, Medicare, RH Matjabeng, Eden Gardens, Botshilu and Kwadukuza) which generate additional management fees for these companies. RH Bophelo's network under 3.3.2 will bring access to a further 20 (twenty) facilities that will generate significantly higher third-party operating fees.

Africa Healthcare and Botshilu Management Company will have access to these management contracts once existing contracts expire over the next two years. RH Bophelo anticipates securing at least 50% (fifty percent) of these management contracts and is forecast from 2020.

Healthcare access and insurance

RH Bophelo sees an exponential growth opportunity on investing in companies that are providing affordable access products. This has been supported by an acquisition in Wesmart Financial Services. The overall portfolio will also benefit from an increased insured population that can see an increase in the utilisation of private healthcare, including the hospital that RH Bophelo's owns. This is inline with RH Bophelo's investment thesis of improving healthcare for the majority, including the lower to middle-income market. This will support better utilisation of RH Bophelo hospitals. RH Bophelo believes access to private hospitals should be expanded to a larger portion of respective populations. To penetrate this market RH Bophelo is investing in the following:

- Various affordable healthcare and medical insurance plans and options, which extend cover to the working uninsured;
- One of our investment, Genric Insurance provides general insurance for its assets under management (infrastructure and equipment, professional indemnity) and medical aid gap cover; and
- This portion of the value chain is complemented by seeking investment into case management and product distribution services.

10.3 Drivers of change in the Company

There are a number of factors driving change in the Company:

Corporate finance services rendered by the Management Company

The Management Company consists of experienced management teams with extensive healthcare and investment knowledge, which allows for sustainable long-term growth of RH Bophelo as well as value for investors. In this regard, the Management Company takes responsibility for identifying, screening, investigating, structuring and negotiating potential investment opportunities, monitoring investments, divestments and reinvestments, obtaining valuations and reporting on investments.

Consolidation of already operating assets

RH Bophelo individually purchases equity or co-invests in healthcare assets that are already operating and have cash flows. The idea of a consolidated group appeals to independent groups as they will benefit from increased economies of scale, have a stronger bargaining position with medical schemes, and thus, allow them to compete with the established operators.

Investment in brownfield projects

RH Bophelo invests in brownfield hospital projects with opportunity to further develop and consolidate to enhance value and support longer-term income and capital growth. RH Bophelo insists on the securing of licences and land by the project sponsors to ensure commitment and alignment of interests.

Other healthcare funds and related healthcare sub-sectors

RH Bophelo invests in select healthcare funds and related healthcare sub-sectors which present an attractive opportunity and in which RH Bophelo see value and can generate returns to shareholders.

10.4 RH Bophelo's competitive positioning

- RH Bophelo invests in operating hospitals, brownfield projects (where licenses are in place) and other healthcare funds and related healthcare sub-sectors. RH Bophelo is value focused, delivers traditional alternative asset class returns through a portfolio of operating companies that participate in a broad array of healthcare specific sectors whilst providing investors with day-to-day liquidity, access to a world-class management team and greater transparency.
- RH Bophelo ensures that profits realised through operations or sale are carefully managed and that there is an appropriate balance between dividends returned to Shareholders and the need for reinvestment such that investors can benefit from additional capital appreciation.
- Key investment highlights include the following:
 - Long-term partners focused on building sustainable long-term growth and value for investors;
 - Experienced management team with extensive healthcare and investment experience;
 - Strong relationships and networks with Departments of Health in South African and Rwanda;
 - Aligned incentive structure as management have “skin in the game” (Directors hold A Ordinary Shares);
 - Access to significant pipeline;
 - Strong credentials are crucial in obtaining licenses;
 - Liquid vehicle that provides investors access to a portfolio of highly sought-after unlisted healthcare assets;
 - Incorporating BEE and environmental, social and governance principles thereby assisting in unlocking economic potential;
 - Direct real asset exposure to the defensive healthcare sector with reliable cash flow;
 - Exposure to the ever-growing private healthcare sector;
 - Comparable companies are expensive and trading at very high multiples;
 - Opportunity partner with license holders who struggle to raise the equity required for further asset/project funding;
 - Receive interim cash flows via dividend income and benefit from capital appreciation;
 - Strong financial returns and duration risk mitigation over the long term;

- Benefits of diversification, healthcare has a low correlation with other asset classes and has an inelastic demand; and
- Participate in a vehicle that has all the benefits of being a listed company on the JSE on RSE.

11. CORPORATE GOVERNANCE, THE BOARD OF DIRECTORS AND STAFFING

11.1 Corporate Governance

RH Bophelo has adopted sound corporate governance structures under which the Board oversees the management on behalf of Shareholders, approve policies and procedures, and monitor strategic performance indicators to ensure that the Company continues to conduct its operations and affairs as mandated by its Shareholders.

The Board is responsible for the long-term strategic direction for profitable growth of the business, whilst being accountable to the Shareholders for legal compliance and maintenance of highest standards of business ethics. It is also responsible for building shareholders value through ensuring growth and profitability of the company.

The Company is also keen on effectively equipping its Directors and accordingly, all the Directors have attended Corporate Governance training and gone through an orientation to understand the organisation.

11.2 Shareholders' responsibilities

The Shareholders appoint the Board and the external Auditors at the Annual General Meetings. The role extends to holding the Board accountable and responsible for efficient and effective governance.

Board's responsibilities

The Board determines the Company's strategic objectives, values, key policies and procedures in accordance with best practice. It has delegated the authority for day-to-day management of the Company to the executive Directors and Management Company.

However, the Board retains overall responsibility for the Group's financial performance, compliance with laws and regulations, monitoring of operations as well as ensuring competent management of the business.

Although the Board is responsible for the management of the Group, it has delegated the detailed discussions on audit, finance, human resource, investments, legal, risk and compliance, compensation and nomination to three committees which have specific and detailed terms of reference.

Composition of the Board

RH Bophelo maintains a unitary Board structure. The current Board comprises four (4) Executive Directors and seven (7) Non-Executive Directors, two (2) of whom are Independent Directors.

Name	Capacity
Quinton Zunga	Chief Executive Officer
Vuyokazi Phatheka Nomvalo	Executive Director
Katekani Dion Mhlaba	Chief Financial Officer
Colin Wayne Clarke	Chairman of the Investment Committee and Executive director
John Rabagadi Oliphant	Non-Executive Chairman
Dr Phetole David Sekete	Non-Executive Director
Dr Solomon Gabriel Motuba	Lead Independent Non-Executive Director / Risk and Audit Committee
Dr Kgaogelo Rachel Ntshwana	Independent Non-Executive Director / Risk and Audit Committee
Bojane Segooa	Non-Executive Director / Social and Ethics Committee
Dinao Modirwadi Lerutla	Non-Executive Director / Audit Committee and Investment Committee
Mmamodiane Refiloe Nkadimeng	Non-Executive Director / Audit Committee

Remuneration of the Directors

In determining the remuneration of Directors, the demands and requirements made of the Directors in relation to the business and the availability of the Directors to consult on an *ad hoc* basis are considered.

Apart from the executive team, no other Director or party related to a Director has a service contract or receives compensation from the Group. Sitting allowances to the Directors are only paid subject to attendance of meetings and other Board duties.

Professional Advice

In order to carry out its responsibilities in an independent and objective manner, the Board seeks professional counsel as required from time to time.

11.3 Directors' profiles

Quinton Zunga



Background

Quinton Zunga is founder and current chief executive officer of RH Managers. Prior to this he was co-founder and executive director of Arkein Capital Partners. Quinton has 19 years of high-level business experience, which includes 12 years of professional experience at senior levels in investment banking and 4 years private equity experience.

Prior to founding RH Managers and co-founding Arkein Group, Quinton was a director at Bank of America Merrill Lynch SA ("**BofAML**") and head of its debt capital markets for South Africa and Sub-Saharan Africa. In that role Quinton was instrumental in developing BofAML's Sub-Saharan Africa business focusing on regional hubs in South Africa, Nigeria and Kenya. He was instrumental in capital raising for over US\$1.5 billion in these regions and built deep relationships. He worked at BofAML from 2007 to 2011.

Prior to joining BofAML, Quinton was Head of Debt Capital Markets at Absa Capital, a role he assumed after the merger of Barclays and Absa Bank. Before this merger Quinton was head of Debt Capital Markets at Barclays and was responsible for a team that covered 11 African countries that Barclays had banking operations in. He helped develop Africa's Debt Capital Markets in these countries, launching the first medium-term notes in Botswana, Tanzania, Mauritius and Zambia. He also led the issue of municipal bonds by the City of Johannesburg. Quinton raised over US\$2.0 billion in 40 transactions that he was lead manager or co-lead manager of over his 7 years at Barclays.

Quinton has served on the executive committee of the Debt Insurers Association (SA), and an associate of the Institute of Bankers, and is a graduate of the Institute of Chartered Secretaries.

Function	Chief Executive Officer
Nationality	South African
Business address	3rd floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg, 2076, South Africa
Qualifications	Bus.Sci Computer Science, MSc Finance

Vuyokazi Phatheka Nomvalo



Background

Vuyokazi Nomvalo holds a Bachelor of Accounting Science degree and honours from the University of South Africa (UNISA) and is a qualified Chartered Accountant. Vuyokazi completed her articles with Pricewaterhouse Coopers in 2009 where she served within the Financial Services sector. In this period she was exposed to the audit process of various financial institutions including Standard Bank Equities, First National Bank Credit, Liberty Life, Absa Credit and RMB Merchant bank (RMB stockbroking, RMB Securities and RMB Morgan Stanley).

Vuyokazi subsequently joined the IDC as a Business analyst, later promoted to Project Manager. During her time at the IDC, Vuyokazi gained valuable experience in deal making within the various sectors including the Renewable Energy Independent Power Procurement Programme (REIPPP).

Vuyokazi was involved in various transactions (projects) and submitted for the REIPPP with four of these projects awarded the preferred Bidder status and are in implementation.

In 2014 Vuyokazi joined RH Managers as an Investment Principal, a post which she holds to date. In this time she has executed transactions which include greenfield projects and acquisitions of operating assets.

Function	Executive Director
Nationality	South African
Business address	3 rd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg, 2076, South Africa
Qualifications	Bcom Honours CA (SA)

Katekani Dion Mhlaba

Background

Dion Mhlaba has a BCom Accounting Degree and is an Honours graduate from the University of Johannesburg. He also holds a certificate from Wits Business School following his completion of the Broad Based Black Economic Empowerment Management Development Programme and Harvard University certificate on Universal Healthcare. He completed his articles with KPMG (Johannesburg) where he qualified as a Chartered Accountant (CA) and Registered Auditor (RA).

Dion's clients during his tenure at KPMG included Nedbank, IDC (Industrial Development Corporation), DBSA (Development Bank of Southern Africa), and Shanduka. Audit focus on credit model, interpretation of investment agreements, model audit, accounting, budgeting, taxation and accounting for financial instruments such as bonds, preference shares, debentures, loans, money market instruments and valuation of equity and hybrid instruments.

Dion's gained healthcare experience through RH Managers, a R1.5bn fund manager, with over 13 hospitals. deal making, governance, information technology, procurement and Human resource. Also worked with Afripalm Resources and Sakhumnotho Holdings on fund raising and stakeholder relations.

Dion is also a former senior lecture for the University of Johannesburg. In the 2018 to 2019, Dion was nominated and awarded the best CFO in South Africa

Function

Chief Financial Officer

Nationality

South African

Business address

3rd floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg, 2076, South Africa

Qualifications

Bcom Honours CA (SA)

Collin Wayne Clarke

Background

Colin Clarke is currently Chairman of Benguela Global Fund Managers, a South African asset management firm with both equities and fixed income products. Chairman of the Investment Committee of Sizwe Medical Fund. A member of the Board of Directors, Audit and Risk Committee as well as Chairman of the Compensation Committee for Atlatza Group Resources a dual listed platinum group minerals company.

Formerly Chairman of the Board of Directors for ACPI Investment Managers South Africa, a subsidiary of London based asset management firm operating in the fixed income, equities, special situations and private equities space. He has extensive experience with listed and multinational organisations including BP Amoco, the African America Institute, the National Empowerment Fund in South Africa, the Africa Regional Assistance Electoral Fund, the Sloan Financial Groups and NAIF, both private equity funds where he served as legal counsel in the former and a partner in the later. Colin additionally served as Chief Investment Officer for Sishen Iron Ore's Community Development Trust and has also served as director for the special projects division of Lonrho Africa Plc.

Colin further served as the Chief Operating Officer of the National Empowerment Fund in South Africa between 2009 and 2010, where he headed the group operations as well as asset management, marketing and communications and strategy and planning. He has many years of international, legal, private equity and corporate finance experience with multinational organisations such as BP Amoco, where he served as legal counsel in Western Areas (acquisitions department). Colin has also held the position of Deputy Director for Trade and Investment at the African America Institute and Programme Director for the Africa Regional Assistance Electoral Fund, which was established to assist African countries' transition to democracy.

Colin is an Advocate of the High Court of South Africa, and the holder of a Category I FSB licence.

Function

Executive Director and Chairman of the Investment Committee

Nationality

United Kingdom / American

Business address

3rd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg, 2076, South Africa

Qualifications

MBA (Oxford), Juris Doctorate (University of Denver), BA (The University of Texas at Austin), Advocate, High Court South Africa

John Rabagadi Oliphant



Background

John Oliphant is currently the executive chairman of Third Way Investment Group, a BEE financial advisory and investment firm.

John is also a director and the chairman of Third Way Investment Partners and All Weather Capital which has combined assets under management of R8 billion. He is the former principal executive officer of the Government Employees Pension Fund (“**GEPF**”), the largest pension fund in Africa with assets of more than R1,5 trillion (US\$120 billion). He was the key driver behind GEPF’s leading investment policies and strategy. Working closely with the board, he managed to double the assets of the GEPF in less than 5 years, during the toughest economic environment in recent history.

John also served on a number of key strategic industry initiatives including being a member of the PRI Advisory Council and chairman of the Code for Responsible Investing in South Africa (“**CRISA**”) committee. John helped establish the CRISA which is hailed as one of the best in the world, this contributed to him winning an Industry Person of the Year award in financial services in 2012. He was also recognised by the Mail and Guardian as one of the Top 200 Young South Africans in 2012 for his contribution in the world of pensions. In 2013 he was named Africa’s Top Emerging Leader by Africa Investor.

Function

Non-Executive Chairman

Nationality

South African

Business address

37 High Street, 2nd Floor, Block C, Melrose Arch, Gauteng, 2076

Qualifications

BSc (Hons) Adv Mathematics of Finance, Wits University
BSc Actuarial Science & Mathematical Statistics, Wits University
MSc Finance (Economic Policy), University of London

Dr. Phetole David Sekete

Background

Dr PD Sekete has 33 years medical experience having worked in both public and private hospitals. Dr Sekete has extensive management experience in healthcare, property and environmental health. Dr Sekete

has been running a successful private practice for the last 30 years. From 1995 to 1997 he was responsible for the integration of the Ekurhuleni District clinics with the provincial clinics and hospitals.

In addition to these accomplishments, Dr Sekete is a Director of MEDITECH (SA) which is a leading Health Information Company contracted to the SA Department of Health (16 years), and also operates in the Middle East-South Arabia, Kuwait, Dubai, Nigeria and Botswana. Dr Sekete owns a leading waste management company, Buhle Waste (Pty) Ltd, which is contracted to the SA Department of Health (14 years), and operates in Limpopo, North West, Gauteng, Mpumalanga, SA Military Services, NHLS, Blood Transfusion Services, private doctors, dentists and mortuaries. Buhle Waste (Pty) Ltd owns and operates two medical waste treatment facilities in Benoni (Bio-Med) and the Converter Green Technology in Limpopo and is expanding into KwaZulu-Natal and Eastern Cape.

He is also a director of ACSION Ltd a property company listed on the JSE worth approximately R4 billion. He sits on the Investment Committee and Social and Ethics Committee of ACSION Ltd. He is also a director of Aberrant Medical Supplies which provides medical point of care diagnostic products, specially diagnosis, timely treatment, medicine dispensing and compliance.

De Sekete is a Director of Liseko with investments in Aspen Pharmaceuticals and SANLAM. He is also a director of Ingocure (Pty) Ltd which sources quality products from reputable companies throughout the world and locally. The product line concentration being medical equipment, consumables, rehabilitation equipment and research for cost saving measures.

Function	Non-Executive Director
Nationality	South Africa
Business address	858 Cottonwood Street, Dainfern, Fourways, Gauteng, 2055
Qualifications	BSc. (Unin) MBCHB (Natal) M.SC.Med (Wits)

Dr. Solomon Gabriel Motuba



Background

Dr Motuba has consulted to various medical schemes and corporate entities on the rationalisation and structuring of health funds. He has also served on a number of medical aid boards, in the capacity as a healthcare consultant, or as a trustee.

He amassed a wealth of experience whilst working for various healthcare organisations within the areas of health delivery, health finance, health risk management, health tax and law. He has more than 20 years' experience in the industry, including seven years as a general practitioner. Dr Motuba is an entrepreneur who has been instrumental in the establishment and incubation of a number of start-up businesses, some of which have grown into sizeable entities. He was instrumental in the turn-around of a number of medical schemes.

Dr Motuba has served on several boards and was the co-founder of Cure Day Clinics and Vmed medical aid administrators. Dr Motuba has worked for two medical aid schemes, as a Principal Officer and for third party medical aid administrators as chief executive officer. He has also worked as an executive in charge of a Managed Care Organisation.

Dr Motuba currently works as Head of Private Practice at the South African Medical Association.

Function	Lead Independent non-Executive Director
Nationality	South African
Business address	29 Sotogrande Street, Silverlakes, Pretoria, Gauteng, 0054
Qualifications	MBChB, FILPA, MBA, Diploma in Financial Management, Diploma in Digital Marketing

Dr. Kgaogelo Rachel Ntshwana



Background Dr Ntshwana is a Specialist Physician (Internal Medicine) and a sub-specialist in Medical Gastroenterology and Hepatology.

With more than 16 years of experience in the fraternity, she spent 12 years in the public sector, more than 70% of which was in the academic institutions. As a specialist consultant in the Department of Medicine in the Wits Circuit of teaching hospitals, she served as an associate lecturer and was therefore involved in the academic training programs of medical students and registrars. During her earlier years in the fraternity she has worked across an array of disciplines, including surgery, anaesthesia and paediatrics before settling on internal medicine.

She moved to full time Private Gastroenterology Practice in 2013 at the Sandton Mediclinic and has recently opened a second Gastroenterology Practice at the Busamed Modderfontein Private Hospital.

Function Independent non-Executive Director

Nationality	South African
Business address	Suite G07, North Block Mediclinic SA, CNR Peter Place & Main Road, Braynston 2195
Qualifications	MBCChB, Certificate in Gastroenterology for Physicians, Fellowship of The College of Physicians of South Africa

Bojane Segooa



Background

Bojane Segooa is a qualified chartered accountant and an award-winning social entrepreneur with a passion for education, technology and innovation. She has worked in the finance sector, specialising in financial management, corporate tax, risk management and corporate governance. She is also an academic, lecturing and conducting research at UNISA's College of Accounting Science.

Bojane is committed to using technology to ensure that the fourth UN Sustainable Development Goal (SDG) of quality education is met. Her innovative spirit led to the establishment of her company Innovation Africa Holdings and its leading product, Levelsapp, an educational app that allows learners to find South African universities and explore the degrees on offer, and it gives them career guidance. The application led to her being selected as a finalist for the Southern African Start-Up Awards in the National Edutech Category.

In 2018, she was nominated by SAICA as one of its Top 35 Chartered Accountants under the age of 35 for her outstanding work towards community development. She is also a recipient of the Innovation Support Programme Research Award, which is given by the Department of Science and Technology. She is also an honoree of the Steyn City Foundation's Seven Percent Tribe. She was recently awarded the UNISA Chairperson of Council Award for Academic Excellence in Community Work for her exceptional contribution to society and learners through Levelsapp. In 2019, she won the prestigious national award, the 100 Young Mandelas of the Future.

Bojane still lectures at UNISA and is the CEO of Innovation Africa Holdings. She is currently a Masters in Innovation candidate at Wits Business School.

Function Non-Executive Director / Social and Ethics Committee

Nationality South African

Business address Suite G07, North Block Mediclinic SA, CNR Peter Place & Main Road, Braynston 2195

Qualifications Bachelor of Accounting Science (University of South Africa); B.Compt Honours (University of South Africa)

Dinao Modirwadi Lerutla



Background

Dinao Lerutla has spent 17 years taking up various roles within corporate and investment banking at companies such as Nedbank, Ernst & Young, and Royal Bafokeng Holdings. She has spent the latter part of her career building her own business. Since starting her entrepreneurship journey in 2009, Dinao has been involved in the development sector, providing advisory services to the public and private sector in areas such as education, student housing, and municipal and infrastructure finance.

In 2018, Dinao received the Entrepreneur of the Year award at the Standard Bank Rising Star Awards. She was in the 2017/18 EY Winning Women cohort, which is a programme that recognises high-potential, women-owned businesses and helps them become significant players in the mainstream economy.

Dinao is currently a non-executive director at Edge Growth and at Futuregrowth Asset Managers. She also serves on the advisory board of the Vumela Fund. Dinao is currently the CEO of Alula Water (a water and wastewater engineering business), and Maya Group (an infrastructure finance and corporate advisory boutique with a primary focus on student housing and affordable housing).

Function Non-Executive Director / Audit Committee and Investment Committee

Nationality South African

Business address Hyde Park Lane Office Park, Grosvenor Gate, Cnr William Nicol and Jan Smuts Avenue, 2196

Qualifications Masters in Development Finance (University of Stellenbosch); CFA (CFA Institute); BCom Honours in Finance (University of Cape Town)

Mmamodiane Refiloe Nkadimeng

Background

Refiloe Nkadimeng is a qualified chartered accountant with extensive experience in leading and directing high-performance teams, helping them maintain the overall financial well-being of an organisation. With over 16 years' professional experience, she has been in charge of the finances of multi-billion-rand organisations. Refiloe has experience in mergers and acquisitions, and she is proficient in managing transitions and the consolidation of transactions.

Refiloe has more than ten years of board experience, having served on boards spread across diverse industries such as financial services, energy and mining services, tourism, and engineering. She has been on the board of companies such as M Tech Industrial, Royal Bafokeng Holdings and Thebe Investment Corporation. As part of her role as the group financial director at Thebe Investment Corporation, she has served on boards of various subsidiaries and associate companies, fulfilling a shareholder mandate and performing fiduciary responsibilities. She has also taken up the role of chairperson on various finance committees and has been a member of audit and risk committees.

She currently serves on the board of Empact Group, Pride Milling, CMH Limited and Prommac, which is a part of CG Energy.

While at Thebe, Refiloe pioneered a CFO forum to coordinate knowledge sharing amongst subsidiary heads of finance within the group

Function

Non-Executive Director / Audit Committee

Nationality

South African

Business address

Stand 72, Clarise Avenue, Morningside, Johannesburg, Gauteng, 2192

Qualifications

BCom Accounting (Wits University); Higher Diploma in Accounting (Wits University)

Directors' remuneration and benefits

The total aggregate of the remuneration paid and benefits in kind granted to the Directors can be found in RH Bophelo's latest annual report which is available for inspection per paragraph 15 or can be found on RH Bophelo's website – www.rhbophelo.co.za.

Directors' interests in related party transactions

None of the Directors have any interests which are or were unusual in their nature or conditions or significant to the business and which were affected by the Company during the current or immediately preceding three financial years or in any earlier financial year and remain in any respect outstanding.

Directors Loans

None of the Directors had any outstanding loans from RH Bophelo.

11.4 Senior management team and summary of senior management qualification and experience

All executive Directors are considered to be senior management – please refer to paragraph 11.3 above.

12. MATERIAL RISK FACTORS SPECIFIC TO RH BOPHELO BUSINESS

The future operating and financial performance of RH Bophelo is subject to the material risks as described below, which should not however be regarded as exhaustive of all potential risks and uncertainties that may impact RH Bophelo. An investor interested in the A Ordinary Shares of RH Bophelo should consider carefully the material risks below, together with all other information contained in this Information Memorandum and other information generally available before making an investment decision.

RH Bophelo oversees risks management through its Audit and Risk Committee.

12.1 General business risks

The investments of RH Bophelo will consist primarily of shares issued by entities that are privately owned. Operating results of such entities will be difficult to predict which increases the risk of such investments, resulting in possible losses.

Investors should consider RH Bophelo's structure and the investment objectives before making any decision to invest in RH Bophelo. RH Bophelo requires a long-term commitment and there can be no assurance that it will achieve its investment objective, or that the investor will receive any return or the return of their invested capital.

12.2 Socio-political and economic risk

RH Bophelo will be exposed to the direct and indirect consequence of political, economic, social and diplomatic changes in the region and that could affect investments.

In the course of investing in South Africa and East Africa, RH Bophelo will be exposed to the direct and indirect consequence of political, economic, social and diplomatic changes in the region and that could affect investments. The political stability of the region is therefore crucial for growth and sustainability of the business. RH Bophelo intends to manage its assets in a manner that will minimise its exposure to such risks, however, there can be no assurance that adverse political or economic changes will not cause RH Bophelo to suffer losses.

The market for the realisation of RH Bophelo's investments may be volatile. Periods of economic and political uncertainty may result in the further volatility in the value of RH Bophelo's investments such that there may be greater volatility than the volatility that can be expected by investors in other comparable securities. RH Bophelo intends to invest in securities which are not currently and may never be publicly traded or listed on a securities exchange. Such securities are not subjected to the same disclosure and other investor's protection requirements that are applicable to listed securities. These investments may as a result be difficult to value and realise, and the risk of investing in such companies is generally greater than the risk of investing in the listed securities.

12.3 Legal, Tax and Regulatory Risk

Legal, tax and regulatory changes in the South African and Rwandan investment environment or otherwise, may occur during the term of RH Bophelo's investments, which could have an adverse effect on RH Bophelo or its investments.

12.4 Investment decisions

The ability to originate deals on a proprietary basis and the pricing of assets could have a significant effect on RH Bophelo's competitive position and on the sustainability of returns. RH Bophelo's ability to originate, evaluate and execute high quality investments is dependent on various factors including:

- The ability to attract and develop people with the requisite investment experience and cultural fit;
- Effective application of collective knowledge and relationships to each investment opportunity; and

- Organisation of teams whose compensation is results-oriented.

RH Bophelo's investment appraisal process is rigorous as it includes approval by relevant managers and its Investment Committee.

12.5 Investment performance

The performance of RH Bophelo's portfolio is dependent upon a range of factors. These include, but are not limited to:

- The quality of the initial investment decision;
- The ability of the investment to successfully execute its business strategy and generate positive cash flow; and
- Actual outcomes against the key assumptions underlying the investments financial projections.

Any one of these factors could have an impact on the valuation of a portfolio company and on RH Bophelo's ability to make a profitable exit from the investment within the desired timeframe. A rigorous process is put in place for managing investments from inception through to realisation. This includes regular asset reviews and, in many cases, representation on the board of the investee companies by an investment executive.

12.6 Reliance on the Management Company and key persons

All decisions regarding the investments of RH Bophelo will be made exclusively by the Management Company (*the manager of RH Bophelo*), subject to the overall oversight of RH Bophelo's Board. The likelihood that investors will realise gains depends on the skill and expertise of the Management Company in allocating and reallocating RH Bophelo's assets. Investors will not be able to select the investments in which RH Bophelo's assets will be invested.

12.7 Convertible securities risk

RH Bophelo will invest in securities, generally debt securities or preferred stocks, which are convertible into equity securities of an issuer (or, in the case of convertible equity securities, different equity securities of the issuer). Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. The convertible security's market value, however, tends to reflect the market price of the ordinary equity of the issuing company when the stock price is greater than the convertible security's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchange for the associated stock. As the market price of the underlying ordinary equity declines, the price of the convertible security tends to be influenced more by the yield of the convertible security.

Since they are convertible into equity securities (or different equity securities), convertibles generally pose the same types of market and issuer risk as the underlying ordinary equity of the issuer. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risk, credit spread expansion and ultimately default risk, as discussed below. Convertibles are also prone to liquidity risk, as demand can periodically diminish, and bid/ask spreads can widen significantly.

12.8 Smaller capitalisation risk

Certain of the issuers in which RH Bophelo will invest may have comparatively smaller capitalizations. The general risks associated with equity securities are particularly pronounced for securities issued by companies with smaller market capitalizations. These companies may have limited product lines and markets, as well as shorter operating histories, less experienced management and more limited financial resources than larger companies and may be more vulnerable to adverse general market or economic

developments. Investments in smaller companies may be less liquid or more thinly traded than those in larger companies and may experience greater volatility. In addition, securities of smaller capitalization companies may not be widely followed by the investment community and market makers, which may result in reduced demand for these securities.

12.9 RH Bophelo may not control companies in which it invests

RH Bophelo will not control all of the companies in which it invests. As a result, RH Bophelo is subject to the risk that a company in which it invests may make business decisions with which RH Bophelo disagrees, and the management of such company may take risks or otherwise act in ways that do not serve RH Bophelo's interests as an investor.

12.10 Insufficient funds to make additional investments in its portfolio companies

RH Bophelo may not have the available assets to make additional investments in its portfolio companies. After RH Bophelo's initial investment in a portfolio company, it may be called upon from time to time to provide additional funds to such company or have the opportunity to increase its investment through the exercise of a warrant to purchase ordinary equity. There is no assurance that RH Bophelo will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on RH Bophelo's part to make such an investment may have a negative effect on a portfolio company in need of such an investment, may result in a missed opportunity for RH Bophelo to increase its participation in a successful operation or may reduce the expected yield on the investment.

12.11 Potentially inaccurate or incomplete information

RH Bophelo will make investments in part on the basis of information and data filed by the issuers of such investments with various government regulators or made directly available to RH Bophelo by the issuers of securities or through sources other than the issuers. At times, RH Bophelo will not be able to confirm the completeness, genuineness or accuracy of all or part of such information and data, and in some cases, complete and accurate information will not be readily available. Incomplete or inaccurate information may cause RH Bophelo to make investments it otherwise would not, if it had complete and/or accurate information, potentially causing losses to RH Bophelo.

12.12 Debt and other income securities

RH Bophelo may invest in certain convertible and other securities which are structured as fixed-income and adjustable rate securities. Income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Because of the resetting of interest rates, adjustable rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase or decrease significantly in value when market interest rates fall or rise, respectively. Market risk relates to the changes in the risk or perceived risk of an issuer, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities.

12.13 RH Bophelo may maintain some of its assets in cash and cash equivalents pending investment or as a reserve

A portion of RH Bophelo's assets may, from time to time, be maintained in cash or in cash-equivalent securities or instruments either pending investment or to act as a reserve for expenses or for unexpected or contingent liabilities. The assumption of cash positions for any significant time and in any significant amount may affect overall investment return.

12.14 Investment and repatriation restrictions

Foreign investment in certain countries' securities is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in certain securities and/or increase the costs and expenses of RH Bophelo. Certain countries require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors.

12.15 Risk of investing in emerging markets generally

The economies and market conditions of emerging markets may differ significantly from the economies of certain developed countries in such respects as gross national product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency, structural unemployment and balance of payments position. In particular, these economies frequently experience high levels of inflation. In addition, such countries may have: restrictive national policies that limit RH Bophelo's investment opportunities; limited information about their issuers; a general lack of uniform accounting, auditing and financial reporting standards, auditing practices and requirements compared to the standards of developed countries; less governmental supervision and regulation of business and industry practices, stock exchanges, brokers and listed companies; favourable economic developments that may be slowed or reversed by unanticipated political or social events in such countries; or a lack of capital market structure or market-oriented economy. Systemic and market factors may affect the acquisition, payment for or ownership of investments including: (a) the prevalence of crime and corruption; (b) the inaccuracy or unreliability of business and financial information; (c) the instability or volatility of banking and financial systems, or the absence or inadequacy of an infrastructure to support such systems; (d) custody and settlement infrastructure of the market in which such investments are transacted and held; (e) the acts, omissions and operation of any securities depository; (f) the risk of the bankruptcy or insolvency of banking agents, counterparties to cash and securities transactions, registrars or transfer agents; and (g) the existence of market conditions that prevent the orderly execution of settlement of transactions or that affect the value of assets. Different clearance and settlement procedures may prevent RH Bophelo from making intended security purchases causing RH Bophelo to miss attractive investment opportunities and possibly resulting in either losses to or contract claims. The securities markets of most of the countries in which RH Bophelo may invest may also be smaller, less liquid, and subject to greater price volatility than in developed securities markets.

The political stability of some of the countries in which RH Bophelo will invest differ significantly from that of certain developed countries. There may be, for example, risk of nationalization, sequestration of assets, expropriation or confiscatory taxation, currency blockage or repatriation, changes in government policies or regulations, political, religious or social instability or diplomatic or political developments and changes. Any one or more of these factors could adversely affect the economies and markets of such countries that in turn could affect the value of RH Bophelo's investments in their respective markets.

12.16 Risks of investing in investment funds

As noted in this Information Memorandum, RH Bophelo may invest a portion of its assets indirectly through investment funds managed by third parties.

12.17 Reliance on third-party management

Although RH Bophelo will monitor the performance of each investment, RH Bophelo will rely upon the management of the investment funds for day-to-day trading and operations of those investments, and RH Bophelo may be unable to determine whether an investment fund or its investment manager is following the investment program described in the investment fund's offering documents or the managed account agreement with RH Bophelo.

12.18 Use of estimated net asset values

If an investment fund or its agent fails to timely report a net asset value, the net asset value of RH Bophelo may be calculated on the basis of the most recent estimated net asset value or other estimated return information of that investment fund supplied by the investment fund or its agent. Such estimated net asset value or other estimated return information may vary significantly from the actual net asset value of the investment fund that RH Bophelo subsequently receives. An investor bears the risk of that variance with respect to investment decisions (e.g., additional subscriptions or redemptions) such investor makes based on such estimated net asset values.

12.19 Leverage and financial risk

Investments of RH Bophelo may be leveraged by borrowings by entities in which RH Bophelo is invested. Such leveraging, although potentially providing enhanced returns to RH Bophelo, can substantially increase the risk of loss for RH Bophelo. An investment of RH Bophelo in an entity may be among the most junior in the capital structure of the entity and may therefore be subject to the greatest risk of loss.

12.20 Currency

RH Bophelo's investments will predominantly be denominated in South African Rand, and any income received by RH Bophelo from these investments will be received in those currencies, some of which may fall in value against the Rwf. RH Bophelo will compute its net asset value and make any distributions in South African Rands. There is, therefore, a currency exchange risk, which may affect the value of investment in RH Bophelo. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

12.21 General risk factors

Investments by RH Bophelo are subject to market fluctuations and other risks inherent in investing in equity securities. The value of investments and therefore the value of the investments in RH Bophelo may go down as well as up (*this may partly be the result of exchange rate fluctuations*) and an investor may not get back the amount invested. An investment in RH Bophelo also involves risk relating to the investment strategies to be utilised. No guarantee or representation is made that these strategies will be successful. Prospective investors should therefore give careful consideration to the risk factors described below in evaluating the merits and suitability of an investment in RH Bophelo.

13. RH BOPHELO - TWO YEARS FINANCIAL SUMMARY

13.1 RH Bophelo performance

RH Bophelo's audited and IFRS compliant statement of comprehensive income, statement of financial position and statement of cash flows for each of the past 2 (two) financial years ending 28 February 2019 and 2018 respectively and RH Bophelo's interim results for the 6-month period ending 31 August 2019 are shown below:

13.1.1 Statement of comprehensive income

	31-Aug-19	28-Feb-19	28-Feb-18
	Unaudited	Audited	Audited
	6 months	12 months	12 months
	(ZAR)	(ZAR)	(ZAR)
Finance income	R14,666,087	R24,490,345	R20,826,640
Fair value on investment of fair value through profit or loss	R29,305,262	R16,596,791	R0
Other income	R322,115	R230,475	R0
	R44,293,464	R41,317,611	R20,826,640
Administrative and other operating expenditure	-R5,837,152	-R13,174,556	-R12,128,479
Income before taxation	R38,456,312	R28,143,055	R8,698,161
Taxation	-R7,432,262	-R6,982,166	-R578,836
Income after taxation	R31,024,050	R21,160,889	R8,119,325
Other comprehensive income	R0	R0	R0
Total comprehensive income	R31,024,050	R21,160,889	R8,119,325
Earnings per share (cents)			
<i>Basic and diluted income per share (cents)</i>	60.53	41.50	25.50

13.1.2 Statement of financial position

	31-Aug-19	28-Feb-19	28-Feb-18
	Unaudited	Audited (ZAR)	Audited (ZAR)
	(ZAR)		
ASSETS			
Non-currents assets			
Financial asset at fair value through profit and loss	R311,587,370	R157,896,791	R0
Current assets			
Cash and cash equivalents	R265,094,836	R373,548,658	R499,063,418
Related party loans	R17,779,038	R2,338,541	R0
Account receivables	R1,502,644	R1,764,952	R0
	R284,376,518	R377,652,151	R499,063,418
Total assets	R595,963,888	R535,548,942	R499,063,418
EQUITY AND LIABILITIES			
Share capital	R523,339,672	R500,839,672	R487,826,373
Retained income	R60,304,264	R29,280,214	R8,119,325
Total equity	R583,643,936	R530,119,886	R495,945,698
Other payables	R1,749,649	R1,711,375	R3,117,720
Deferred tax	R10,570,303	R3,717,681	R0
Current liabilities	R12,319,952	R5,429,056	R3,117,720
Total equity and liabilities	R595,963,888	R535,548,942	R499,063,418

13.1.3 Statement of cash flow

	31-Aug-19	28-Feb-19	28-Feb-18
	Unaudited	Audited	Audited
	6 months (ZAR)	12 months (ZAR)	12 months (ZAR)
Cash generated from operating activities			
Profit before tax	R38,456,312	R28,143,055	R8,698,161
Net gain from financial instruments at fair value through profit and loss	-R29,305,262	-R16,596,791	R0
	R9,151,050	R11,546,264	R8,698,161
Changes in working capital			
Decrease/(increase) in other receivables	R262,308	-R1,432,736	R0
Increase/(decrease) in other payables	R38,274	-R1,406,345	R3,117,721
Cash generated from operations	R9,451,632	R8,707,183	R11,815,882
Income tax paid	R0	-R3,596,701	-R578,836
Net cash inflow from operating activities	R9,451,632	R5,110,482	R11,237,046
Cash flow from investing and financing activities			
Increase in related party loans	-R16,218,386	-R128,286,701	R0
Net investments in financial instruments at fair value through profit and loss and loans	-R101,687,068	-R2,338,541	R0
Capital contributions	R0	R0	R487,826,372
	-R117,905,454	-R130,625,242	R487,826,372
Net movement in cash and cash equivalents	-R108,453,822	-R125,514,760	R499,063,418
Cash and cash equivalents at beginning of the period	R373,548,658	R499,063,418	R0
Cash and cash equivalents at the end of the period	R265,094,836	R373,548,658	R499,063,418

Source: RH Bophelo 2019 annual report and August 2019 interim results

13.2 Future prospects

RH Bophelo has identified a number of potential investments both in South Africa and Rwanda which will be made available to prospective investors (under strict non-disclosure agreements) as part of RH Bophelo's planned roadshow and capital raise in the months following the RSE Listing.

14. CORPORATE STATUTORY AND GENERAL INFORMATION

14.1 Group Corporate Structure

RH Bophelo's group structure can be found in paragraph 5.3 above.

14.2 Dividend policy and future dividends

RH Bophelo has a policy of payment of cash dividends. The amount of cash dividends payable is dependent on the Company's performance and deliberated in good time for recommendation and presentation to the AGM. There are no arrangements under which future dividends will be waived or have been agreed to be waived.

No dividends have been paid since last in July 2017.

14.3 Extracts from the Memorandum of Incorporation

- A copy of RH Bophelo's Memorandum of Incorporation will be made available for inspection as detailed further in paragraph 15 below.
- RH Bophelo was incorporated with the principal object as set out in clause 1.2 of the Memorandum of Incorporation of RH Bophelo, being to pursue acquisitions of healthcare assets in exceptionally managed commercial entities or special situations across the South African market.
- Please refer to Annexure I for the extracts from the Memorandum of Incorporation.

14.4 Property Disposal and Acquisition

A. Immovable property owned by RH Bophelo

RH Bophelo is an Investment Holding Company and holds shares in a number of investments that own immovable property and RH Bophelo leases its current premises. A break-down of RH Bophelo's assets can be found in RH Bophelo's financial statements which will be made available for inspection as provided for in paragraph 15 below.

Furthermore, RH Bophelo has paid all land rates in respect of the above listed leasehold properties and has not disposed any immovable property in the last 2 years.

B. Immovable property leased from RH Bophelo

RH Bophelo is an Investment Holding Company and holds shares in a number of investments that leases immovable property. A break-down of RH Bophelo's leases can be found in RH Bophelo's financial statements which will be made available for inspection as provided for in paragraph 15 below.

14.5 Borrowings

As at the date of this Information Memorandum, RH Bophelo does not have any direct borrowings (*held at a subsidiary level*).

14.6 Loan covenants

As at the date of this Information Memorandum, RH Bophelo is currently not in breach of any of its loan covenants.

14.7 Material contracts

Save as disclosed in this Information Memorandum, RH Bophelo has not entered into any material contracts outside the ordinary course of its business.

14.8 Litigation

RH Bophelo is not involved in any material litigation.

14.9 Working capital

In the opinion of the Board, RH Bophelo has sufficient working capital for its present requirements.

14.10 Licences

RH Bophelo has procured all the licences required for conducting its business.

14.11 Authorisations and approvals

- The Cross Listing has been duly authorized by a resolution of the Board passed on 3 April 2020.
- The Company has obtained the approval of the Capital Markets Authority and RSE for the A Ordinary Shares issued to be admitted to the RSE.
- The Company has obtained a letter of no-objection from the JSE for the A Ordinary Shares to be admitted to the RSE.
- The Company has obtained the approval of its authorized dealer authorised by the South African Reserve Bank to deal in foreign exchanges to effect the Cross Listing.

14.12 Directors

None of the Directors have, in the two years preceding the date of this Information Memorandum:

- Had any petition under bankruptcy laws filed against him or her or (in the case of corporate directors) any winding-up petition filed or pending against it; or
- Been convicted in any criminal proceedings for fraud or any felony; or
- Been the subject of any ruling of any court of competent jurisdiction or any governmental body, the effect of which is to permanently or temporarily prohibit him or her from acting as a fund manager, director, broker, dealer or engaging in any business practice or activity.

14.13 Significant or material changes

Save as disclosed in this Information Memorandum, there has been no significant change in the financial position of the RH Bophelo.

14.14 Governing Law

This Information Memorandum and the Cross Listing shall be governed by the Laws of Rwanda and South Africa.

15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of RH Bophelo during normal business hours (08h00 to 17h00) for thirty calendars days from the date of this Information Memorandum:

- the CMA-R approval letter dated 18 May 2020;
- the letter of no objection from the JSE;
- the approval letter of the RSE dated 20 May 2020;
- a copy of RH Bophelo's registration certificate;
- a copy of the Memorandum of Incorporation;
- a copy of the Board resolution dated 3 April 2020 approving of the Cross Listing;
- a copy of this Information Memorandum of which has been delivered to the Office of the Registrar General;
- copies of audited financial statements for the Company for the years ended February 2018 and 2019 respectively including the interim results for the 6 month period ending 31 August 2019; and
- a copy of the Legal Opinion by the Legal Advisors.

16 CROSS BORDER TRADING

16.1 JSE

RH Bophelo is listed on the JSE which is a fully automated market with a functioning fully licensed Central Securities Depository (CSD) operated by Strate Proprietary Limited (Strate). The JSE is situated at 2 Gwen Lane, Sandown, Sandton, 2196, Tel: +2711 520 7000 and website, www.jse.co.za while Strate is situated at Tower 1, The MARC, 129 Rivonia Road, Sandown, Sandton, 2196, Tel: +2711 759 5300.

The JSE offers secure, efficient primary and secondary capital markets across a diverse range of securities, supported by our post-trade and regulatory services. The JSE acts as a market of choice for local and international investors looking to gain exposure to the leading capital markets in South Africa and the broader African continent.

The JSE is currently ranked the 19th largest stock exchange in the world by market capitalisation and the largest exchange in the African continent.

History

The JSE was formed in 1887 during the first South African gold rush. Following the first legislation covering financial markets in 1947, the JSE joined the World Federation of Exchanges in 1963 and upgraded to an electronic trading system in the early 1990s. The bourse demutualised and listed on its own exchange in 2005.

In 2003, the JSE launched an alternative exchange, AltX, for small and mid-sized listings, followed by the Yield X for interest rate and currency instruments. The JSE then acquired the South African Futures Exchange (SAFEX) in 2001 and the Bond Exchange of South Africa (BESA) in 2009. Today the JSE offers five financial markets namely Equities and Bonds as well as Financial, Commodity and Interest Rate Derivatives.

Markets

South Africa has mature capital markets that serve the domestic economy and the wider continent. As one of the world's 20 largest exchanges by market capitalisation and the largest exchange in Africa, the JSE strives to offer secure, efficient primary and secondary capital markets across a diverse range of instruments, supported by cost-effective services.

Equity market

The JSE index series is called the FTSE/JSE Africa Index Series and is a partnership between JSE and the FTSE Group. The two benchmark indices are the FTSE/JSE All Share Index, covering 99% of market capitalisation, and the FTSE/JSE Top 40 Index which tracks the top listings in a representative spread of sectors.

South African bond market

South Africa's interest rate market is the largest on the continent. The majority of South African bonds are issued government and state-owned entities but the number of corporate bonds issued is growing.

The JSE also offers a variety of Bond-based Derivatives, including Bond futures, Forward-rate Agreements, Vanilla Swaps and standard bond options. The exchange hopes to attract new bond issuers to the bourse, seeking to partner with other African exchanges with a dual-issuance model. In November 2012, the Namibian government floated a R850m (\$78m) 10-year bond priced at 8.26%, the first tranche of a R3bn (\$275.2m) programme, and the JSE hopes to encourage other African countries to list debt on the exchange.

Derivatives

The JSE offers trading of a variety of Derivatives, including Futures and Options on Equities, Bonds, Indices, Interest Rates, Currencies and Commodities. The JSE was ranked the 6th largest exchange by

number of Single Stock Futures traded and 9th by the number of Currency Derivatives traded in 2012 in the World Federation of Exchanges Annual Derivatives Market Survey.

Technology

The JSE has undertaken major technological upgrades over the past few years on a consistent drive to upgrade trading, clearing and settlement which is still continuing. In July 2012, the JSE implemented a new trading platform the Millennium Exchange in the Equity Market, while at the same time moving the trading system from London to Johannesburg. Following this successful transition, trades can now be executed up to 400 times faster than under the previous TradElect system. The change allows for increased liquidity and more algorithmic traders.

Regulation

The JSE is the frontline regulator for the exchange, setting and enforcing listing and membership requirements and trading rules. The Financial Sector Conduct Authority ("**FSCA**") (previously, the Financial Services Board ("**FSB**")) supervises the JSE in the performance of its regulatory duties.

South Africa is currently ranked 1st in the world in terms of regulation of securities exchanges in the World Economic Forum's Global Competitiveness Survey for 2013-2014. This is an accolade for both the JSE and its regulators.

Foreign listings

Another regulatory change that could have widespread implications is the 2011 decision to alter South Africa's inward listing rules, allowing foreign domiciled companies to be treated as domestic listings. While foreign firms had been allowed to list on the JSE since 2004, they were previously subject to foreign exchange rules, which limited the amount of these equities that local investors could hold. The lifting of these restrictions has been an important regulatory shift for the exchange and makes the JSE a more attractive listings destination.

STRATE

Strate is South Africa's central securities depository and a tri-party collateral platform. Its purpose is to serve the financial markets and help build local and international investor trust in the South African financial system. As the central depository to which multiple exchanges, issuers and other market participants connect, Strate safeguards the ownership rights of investors in securities and other assets using digitally enabled processes.

Through its tri-party collateral platform, it connects collateral givers and receivers in an efficient and robust way that leads to the traceable re-use of capital and other assets as collateral for other economic activity. Strate has served the South African financial market for over 20 years. It is governed by the Financial Markets Act and overseen by the FSCA and South Africa's Prudential Authority.

It also facilitates corporate action (such as dividends) payments for those issuers, as well as other services in terms of South African legislation. In addition, value-adding services are available, such as collateral management, IT services and training. It also continues to explore new, advanced and even disruptive technologies that could be identified as new opportunities in the financial markets.

Taxes

Withholding tax on dividends on the A Ordinary Shares listed on the JSE is levied at 20% of the total dividend declared to South African residents. Securities Transfer Tax ("**STT**") is a combination of stamp duty and uncertificated securities tax and is charged at a rate of 0.25% on the taxable amount of the transfer of every A Ordinary Shares issued by a RH Bophelo. Capital gains tax ("**CGT**") is levied on the disposal of A Ordinary Shares held by RH Bophelo shareholders and depending on the nature of the shareholder (company versus individual), these rates will differ - for more information, please refer to www.sars.gov.za or consult a tax expert.

Expenses

A full list of expenses to be incurred on the JSE can be found at www.jse.co.za / content / JSE Pricing Items.

16.2 RSE

The RSE is an automated market established in 2005 and with a functioning Central Securities Depository. The stock exchange was demutualised from the start as it was registered as a company limited by shares. The stockbrokers own 60% of RSE, 20% is owned by the Government of Rwanda while the remaining 20% is owned by other shareholders. The exchange is situated at the 1st Floor, Kigali City Tower Building, Avenue du Commerce, Kigali, Tel: +250-252575968, [email: info@rse.rw](mailto:info@rse.rw) and website: www.rse.rw.

Trading on RSE is conducted through a dual process:

- An open outcry trading session conducted at the trading floor during formal trading hours of between 9.00 am to 12.00 pm.
- An Over the Counter (OTC) market where a member is allowed to buy or sell shares directly to clients in their offices. Members are allowed to transact with other members either directly or face to face through the telephone after the formal trading hours of the normal working days. All OTC transactions have to be reported to RSE not later than 1 hour after the transaction(s) and shall be reported in the next formal trading session for purposes of settlement.

The RSE has two indices: the RSE Rwanda share index and RSE all share index. These indices comprise of its listed entities.

RSE has 8 listed companies, the domestic companies are Bank of Kigali, Crystal Telecom, I&M Bank Rwanda and Brasseries et Limonaderies du Rwanda and the cross-listed companies are namely Kenya Commercial Bank Group, Equity Bank Group, Uchumi Supermarkets and Nation Media Group.

The Members of the RSE are all licensees of the CMA Rwanda, the regulator of the capital markets industry in Rwanda.

The following are the trading members of the RSE:

	Name of Firm	Address
1.	Faida Securities Rwanda	Centenary House 4 th floor, P.O. Box: 124 Kigali, Rwanda Phone: (+250)784333734, Mob: + 250 782859330 Email: stephen.njoroge@fib.co.ke
2.	Continental Discount House Capital Ltd (CDH)	9 th Floor, Ecobank Building, Avenue de la Paix; P.O. Box 6237 Kigali Rwanda, (+250) 0788 304 274; (+250)0788301007
3.	Baraka Capital	4 th Floor - Building 2000, (Opp. Kigali City Towers) KN 82 Street, P.O. Box 7180, KIGALI, Tel: +250 280 381 100 +250 255 120 337, Email: baraka@barakacapital.com
4.	MBEA Brokerage Services Ltd	Regus Offices, Kigali City Towers (KCT), 14 th floor KN 2 Street, B.P 3492 KIGALI, Tel: +250 788 803371 +250 788 803370, Email: info@mbea.net
5.	Core Securities Ltd	P.O. Box 4062 Kigali, Mob: +2540754303759 Email: nshoo@coresecurities.co.tz
6.	Standard Bank Group Securities Ltd	Kigali City Tower, 1 st Floor, Avenue du commerce, P.O Box 968 Kigali; Tel: +250784108841, Email: csfs_rwanda@mail.standardbank.com

7.	Bank of Kigali Capital Ltd (BK)	Plot No.6112, Avenue de la Paix, P.O. Box 175 Kigali, Rwanda, Tel: +250-252 593100, Cell: +250788143241; Email: bkcapital@bk.rw/c.umutoni@bk.rw
8.	African Alliance Rwanda Securities	Kigali City Tower (KCT), 1 st Floor, Avenue du Commerce? P.O. Box 7179, Kigali - Rwanda Office Number: +250 785694490 Email: MwisenzezaJ@africanalliance.com
9.	MO Capital Ltd	Kigali City Towers 14 th Floor, P.O. Box: 3360 Kigali-Rwanda Email: o-muneza@mocapital.co.rw Mob: + 250 788 750 569, Email: info@mocapital.co.rw mocapitaltd@gmail.com

Trading at the RSE is Delivery vs Payment (DVP) on a rolling T+2 system. Trading hours are every day, Monday to Friday from 9.00 am to 12.00 pm.

Taxes: Withholding tax on dividends and interest income on securities listed on the RSE is paid at the rate of 5% by East African residents and 15% by investors outside the EAC countries. There is no stamp duty or capital gains tax payable on shares listed on the RSE. Investors are required to consult their tax advisors for any additional information on taxation.

Transaction Costs

Equities Transactions

Consideration (Transaction Value)	Net Brokerage Commission	Transaction Fee	Investor Compensation Fund Fee	CSD Settlement Transaction	Total Cost to Investor
Up to Rwf 100,000	1.5%	0.14%	0.02%	0.05%	1.71%
Above Rwf 100,000	Open to negotiation subject to a maximum of 1.5%	0.14%	0.02%	0.05%	Brokerage plus statutory

Source: RSE

Foreign Investors: Investors should be aware that in Rwanda there are no restrictions on foreign ownership of securities issued by listed companies. In South Africa, there are also no restrictions on foreign ownership of securities issued by listed companies, however, exchange control approval is conditional on the fact that the ratio of A Ordinary Shares listed on the RSE cannot exceed those listed on the JSE.

Regional Bodies: So far, there are three regional bodies that have been set up to facilitate interaction amongst the four capital markets- i.e. East African Securities Regulatory Authorities (EASRA), East African Stock Exchanges Association (EASEA) and the East African **Stockbrokers** Association (EASBA). CMA-Rwanda joined EASRA in 2009.

16.3 Clearing and Settlement on the RSE Market

Clearing and settlement is the transfer of ownership of the securities transacted on the RSE market from the seller to the buyer and the **transfer** of funds for the same securities from the buyer to the seller.

The CSD provides Central Depository Agents (CDAs) and their Settlement Banks with their respective settlement reports.

Each CDA must ensure there are sufficient funds available in the settlement account, with the Settlement Bank.

After all the necessary communications and verifications, the Clearing Bank then does the transfer of funds while the CSD transfers the securities.

16.4 Selling Restrictions

Foreign investors wishing to purchase RH Bophelo's A Ordinary Shares must satisfy themselves as to the full observance of the laws of the relevant territory and governmental and other consents to ensure that all requisite formalities are adhered to, and pay any issue, transfer or other taxes due in such territory. Before applying for and purchasing the A Ordinary Shares, foreign investors are advised to consult their own professional advisers as to whether they require any governmental or other approvals or need to observe any applicable legal or regulatory requirements.

This Information Memorandum does not, and is not intended to, constitute an offer for the A Ordinary Shares in any place outside Rwanda. In that regard, this Information Memorandum may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction or in any circumstances where such offer or solicitation is not authorised or is unlawful. The distribution of this Information Memorandum outside of Rwanda may be restricted by Law and persons who come into possession of this Information Memorandum should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Any such recipient must not treat this Information Memorandum as constituting an offer to him, unless in the relevant jurisdiction, such invitation or offer could be made lawfully to him without contravention of any unfulfilled registration or legal requirements. Without limitation, this Information Memorandum cannot be sent or passed or otherwise distributed outside Rwanda.

United States of America

RH Bophelo will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Shares from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice substantially to the following effect: "The A Ordinary Shares covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not as a matter of U.S. law be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act (or Rule 144A under the Securities Act, if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S".

Until the expiration of the period ending 40 days after the later of the commencement of the offering and the date of issue of the A Ordinary Shares, an offer or sale of Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act. Furthermore, if any such Shares are sold within the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S) pursuant to Rule 144A or pursuant to another exemption from registration under the Securities Act, such person (i) must hold its interest in the A Ordinary Shares offshore through Euroclear or Clearstream, Luxembourg, as the case may be, until the expiration of the distribution compliance period (as defined in Regulation S) and (ii) upon the expiration of such distribution compliance period, must certify that it bought such Shares pursuant to Rule 144A or pursuant to another exemption from registration under the Securities Act.

United Kingdom

Any agent purporting to sell the A Ordinary Shares will be required to represent, warrant and agree, that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) received by it in connection with the issue or sale of any Shares in circumstances in which Section 21(1) of the FSMA does not apply to RH Bophelo; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Shares in, from or otherwise involving the United Kingdom.

South Africa

This Information Memorandum does not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and subscribe for, shares to the public as defined in the Companies Act. This Information Memorandum does not, nor is it intended to, constitute a prospectus prepared and registered under such Companies Act. and may only be made to persons falling within the categories of persons listed in section 96(1)(a) or (b) of the Companies Act (the “**South African Qualifying Investors**”) and (ii) any offer or sale of the A Ordinary Shares shall be subject to compliance with South African exchange control regulations. Should any person who is not a South African Qualifying Investor receive this Information Memorandum, they should not and will not be entitled to acquire any Shares or otherwise act thereon. The information contained in this Information Memorandum constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002 (as amended or re-enacted) (“**FAIS**”) and does not constitute the furnishing of any “advice” as defined in section 1(1) of FAIS. The information contained in this Information Memorandum should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Information Memorandum should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

Japan

The A Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended the “**Financial Instruments and Exchange Law**”). The Transaction Advisors has represented and agreed that the Information Memorandum may not be distributed in, and the A Ordinary Shares may not be offered or sold in Japan or to, or for the account or benefit of, any resident of Japan (including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the account or benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

17 LEGAL OPINIONS

Legal Opinion by South African Legal Advisor

RH Bophelo Limited
3rd Floor, 18 Melrose Boulevard
Melrose Arch, Melrose North
Johannesburg
2076
South Africa

N Tshabalala/L Meso/0471150 our ref
26 May 2020 your ref
date

Dear Sirs

RE: INTRODUCTION OF THE ENTIRE ISSUED SHARE CAPITAL OF 58,875,000 A ORDINARY SHARES OF RH BOPHELO LIMITED TO THE OFFICIAL LIST OF THE RWANDA STOCK EXCHANGE

1. Introduction

- 1.1. We, Edward Nathan Sonnenbergs Inc. (Registration No. 2006/018200/21) (“**ENSAfrica**”) have acted as South African legal advisors to RH Bophelo Limited (“**RH Bophelo**”) in relation the introduction of 58,875,000 class A ordinary shares of no-par value in the issued share capital of RH Bophelo (the “**A Ordinary Shares**”) to the Official List of the Rwanda Stock Exchange (the “**RSE**”) (the “**Introduction**”).
- 1.2. Trades of the A Ordinary Shares will not be available on the date of the Introduction, however, RH Bophelo intends to undertake a capital raise in the coming months at which stage the A Ordinary Shares of the capital raise will be freely transferable ranking pari passu with each other.
- 1.3. ENSAfrica is a law firm of the Republic of South Africa (“**South Africa**”), practising and qualified as such to practice in South Africa, and to advise upon the laws of South Africa.
- 1.4. ENSAfrica is required to prepare a legal opinion (the “**Opinion**”) which will form part of the information memorandum dated 1 June 2020 to be distributed as part of the Introduction (the “**Information Memorandum**”). All terms defined in the Information Memorandum shall have the same meanings ascribed to such terms in this Opinion and all references to “us” “we” shall mean ENSAfrica, unless otherwise defined in this Opinion.
- 1.5. This Opinion given shall be governed by and construed in accordance with the laws of the South Africa. We express no opinion in this Opinion on the laws of any other jurisdiction.

2. Background

- 2.1. We have examined all corporate records of RH Bophelo, the Information Memorandum, and such other records and documents as we have considered necessary and appropriate for the purposes of this Opinion.

2.2. In addition, for the purposes of this Opinion, we have assumed:

2.2.1. Accuracy of information supplied

All written information supplied to us by RH Bophelo and by its officers and advisors is true, accurate and up to date.

2.2.2. Authenticity of copies

The authenticity of documents submitted as originals, the conformity with the original documents of all documents submitted as copies and the authenticity of the originals of such latter documents.

2.2.3. Signatures

The genuineness of all signatures on all documents.

2.2.4. Due execution by other parties

All agreements and other relevant documents have been duly authorised, executed and delivered by the parties to those documents other than RH Bophelo, and

2.2.5. Factual matters

With respect to matters of fact, we have relied on the representations of RH Bophelo and its officers and advisors.

3. Opinion

3.1. Based on the information made available to us by RH Bophelo and subject to: (i) the foregoing; (ii) paragraph 2 of this Opinion; (iii) any matters set out in the Information Memorandum; (iv) the reservations set out below; and (v) any matters not disclosed to us:

3.1.1. Status

RH Bophelo is a public company, duly incorporated in South Africa pursuant to the provisions of the South African Companies Act, No. 71 of 2008 (as amended) with power to execute, deliver and exercise its rights and perform its obligations pursuant to the Introduction, and such execution, delivery and performance have been duly authorised by appropriate corporate action.

3.1.2. Share capital

The existing share capital of RH Bophelo has been authorised and issued in conformity with all applicable laws in South Africa and has received all necessary authorisations.

3.1.3. Statutory Books

RH Bophelo continues to maintain its statutory books at the company secretary's registered office.

3.1.4. Licences

All material licences and material consents required in connection with the business of RH Bophelo have been duly obtained and are in full force and effect.

3.1.5. Property

The details of properties validly owned or leased by RH Bophelo and any encumbrances thereon are set out in section 14.4 of the Information Memorandum.

3.1.6. Material Contracts

RH Bophelo has not entered into any material contracts outside the ordinary course of its business.

3.1.7. Material Litigation

To the best of our knowledge, there is no material litigation or arbitration, prosecution or other civil or criminal legal action in which RH Bophelo is involved in South Africa.

3.1.8. Bankruptcy / Receivership Proceedings

To the best of our knowledge and after due enquiry, no bankruptcy, receivership or similar proceeding has been brought against RH Bophelo or any of its Directors in South Africa in the preceding two years.

3.1.9. Mergers and Acquisitions

RH Bophelo has not been involved in any mergers or acquisitions outside its ordinary course of business in the previous two years.

3.1.10. The Introduction

3.1.10.1. There are no securities to be issued in connection with the Introduction.

3.1.10.2. RH Bophelo has not entered into any underwriting agreement or any other agreement or contract in respect of the Introduction other than the appointments of the transaction advisors.

3.1.10.3. The Company, through the JSE Sponsor, has applied to, and permission has been duly granted by, the JSE and the Capital Markets Authority of the appropriate letters of no objection.

3.1.10.4. We as the South African legal advisors confirm that we have given and have not, prior to the date of the Information Memorandum, withdrawn our written consent to the inclusion of the Opinion in the form and context in which it appears.

3.1.11. Memorandum of Incorporation

3.1.11.1. RH Bophelo was incorporated with the principal object as set out in clause 1.2 of the Memorandum of Incorporation, being to pursue acquisitions of healthcare assets in exceptionally managed commercial entities or special situations across the South African market.

3.1.11.2. The details of the relevant provisions of the Memorandum of Incorporation of RH Bophelo are set out in section 14.3 of the Information Memorandum.

4. **Conclusion**

In light of the above, we are of the view that RH Bophelo is in a position to cross list the A Ordinary Shares on the RSE in terms of the Introduction.

Yours faithfully

Edward Nathan Sonnenbergs Inc.

Per: Nkosi Tshabalala

Director

Legal Opinion by Rwandan Legal Advisor

RH Bophelo Limited
3rd Floor, 18 Melrose Boulevard
Melrose Arch, Melrose North
Johannesburg
2076
South Africa

D Kamanzi our ref
your ref
May 26, 2020 date

Attn:

Members of the Board of Directors

Dear Sirs

RE: INTRODUCTION OF THE ENTIRE ISSUED SHARE CAPITAL OF 58,875,000 A ORDINARY SHARES OF RH BOPHELO LIMITED TO THE OFFICIAL LIST OF THE RWANDA STOCK EXCHANGE

1. Introduction

- 1.1. We, ENSafrica Rwanda Limited (Registration No. 102772658) (“**ENSAfrica**”) have acted as Rwandan law legal advisors to RH Bophelo Limited (“**RH Bophelo**”) in relation the introduction of 58,875,000 A class ordinary shares of no-par value in the issued share capital of RH Bophelo (the “**A Ordinary Shares**”) to the Official List of the Rwanda Stock Exchange (the “**RSE**”) (the “**Introduction**”).
- 1.2. Trades of the A Ordinary Shares will not be available on the date of the Introduction, however, RH Bophelo intends to undertake a capital raise in the coming months at which stage the A Ordinary Shares of the capital raise will be freely transferable ranking *pari passu* with each other.
- 1.3. ENSafrica is a law firm of the Republic of Rwanda (“**Rwanda**”), practising and qualified as such to practice in Rwanda, and to advise upon the laws of Rwanda.
- 1.4. ENSafrica is required to prepare a legal opinion (the “**Opinion**”) which will form part of the information memorandum dated 1 June 2020 to be distributed as part of the Introduction (the “**Information Memorandum**”) as required under Regulation No. 3 on capital markets (cross border introductions) (the “**Regulation on Cross-border Introductions**”) and Regulation No. 7 on Capital Markets (Public Offer and issue of Securities) (the “**Regulation on Public Offer and Issue of Securities**”). All terms defined in the Information Memorandum shall have the same meanings ascribed to such terms in this Opinion and all references to “us” “we” shall mean ENSafrica, unless otherwise defined in this Opinion.
- 1.5. This Opinion given shall be governed by and construed in accordance with the laws of Rwanda. We express no opinion in this Opinion on the laws of any other jurisdiction.

2. **Background**

2.1. For the purposes of this Opinion, we have assumed:

2.1.1. Accuracy of information supplied

All written information supplied by RH Bophelo and by its officers and advisors is true, accurate and up to date.

2.1.2. Authenticity of copies

The authenticity of documents submitted as originals, the conformity with the original documents of all documents submitted as copies and the authenticity of the originals of such latter documents.

2.1.3. Signatures

The genuineness of all signatures on all documents.

2.1.4. Due execution by other parties

All agreements and other relevant documents have been duly authorised, executed and delivered by the parties to those documents other than RH Bophelo; and

2.1.5. Factual matters

With respect to matters of fact, we have relied on the representations of RH Bophelo and its officers and advisors.

3. **Opinion**

3.1. In accordance with article 3 of the Regulation on Cross-border Introductions and article 19 of the Regulation on Public Offer and Issue of Securities, based on the legal opinion issued by Edward Nathan Sonnenbergs Inc. in connection with the Introduction and subject to: (i) the foregoing; (ii) paragraph 2 of this Opinion; (iii) any matters set out in the Information Memorandum; (iv) the reservations set out below; and (v) any matters not disclosed to us:

3.1.1. Status

RH Bophelo is a public company, duly incorporated in South Africa pursuant to the provisions of the South African Companies Act, No. 71 of 2008 (as amended) with power to execute, deliver and exercise its rights and perform its obligations pursuant to the Introduction, and such execution, delivery and performance have been duly authorised by appropriate corporate action.

3.1.2. Share capital

The existing share capital of RH Bophelo has been authorised and issued in conformity with all laws applicable in South Africa and has received all necessary authorisations.

3.1.3. Statutory Books

RH Bophelo continues to maintain its statutory books at the company secretary's registered office.

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All material licences and material consents required in connection with the business of RH Bophelo have been duly obtained and are in full force and effect.

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The details of properties validly owned or leased by RH Bophelo and any encumbrances thereon are set out in section 14.4 of the Information Memorandum.

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RH Bophelo has not entered into any material contracts outside the ordinary course of its business.

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To the best of our knowledge, there is no material litigation or arbitration, prosecution or other civil or criminal legal action in which RH Bophelo is involved in in South Africa.

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To the best of our knowledge and after due enquiry, no bankruptcy, receivership or similar proceeding has been brought against RH Bophelo or any of its Directors in South Africa in the preceding two years.

3.1.9. Mergers and Acquisitions

RH Bophelo has not been involved in any mergers or acquisitions outside its ordinary course of business in the previous two years.

3.1.10. The Introduction

3.1.10.1. There are no securities to be issued in connection with the Introduction.

3.1.10.2. RH Bophelo has not entered into any underwriting agreement or any other agreement or contract in respect of the Introduction other than the appointments of the transaction advisors.

3.1.10.3. RH Bophelo, through the JSE Sponsor, has applied to, and permission has been duly granted by, the JSE and the Capital Markets Authority through the appropriate letters of no objection.

3.1.10.4. The Introduction of shares to the Rwanda Stock Exchange has been approved by the Capital Markets Authority and the Rwanda Stock Exchange through the issue of appropriate letters of approval.

3.1.10.5. We, as the Rwandan law legal advisors, confirm that we have given and have not, prior to the date of the Information Memorandum,

withdrawn our written consent to the inclusion of the Opinion in the form and context in which it appears.

3.1.11. Memorandum of Incorporation

3.1.11.1. RH Bophelo was incorporated with the principal object as set out in clause 1.2 of the Memorandum of Incorporation, being to pursue acquisitions of healthcare assets in exceptionally managed commercial entities or special situations across the South African market.

3.1.11.2. The details of the relevant provisions of the Memorandum of Incorporation of RH Bophelo are set out in section 14.3 of the Information Memorandum.

4. **Conclusion**

In light of the above, we are of the view that RH Bophelo is in a position to cross list the A Ordinary Shares on the RSE in terms of the Introduction.

Yours faithfully

ENSAfrica Rwanda Limited

Per: Désiré Kamanzi
Head of ENSAfrica Rwanda

ANNEXURE I: SALIENT FEATURES OF THE MOI

The present Memorandum of Incorporation contains provisions, among others, to the following effect (the numbering and wording below matches that of the Memorandum of Incorporation of the Company and the memorandum of incorporation of the Operating Entity, respectively):

7. ISSUE OF A ORDINARY SHARES AND VARIATION OF RIGHTS

- 7.1. *The Company is authorised to issue –*
- 7.1.1. *10 000 000 000 (ten billion) ordinary A Ordinary Shares, of the same class, each of such securities which ranks pari passu in respect of all rights and entitles the holder to –*
 - 7.1.1.1. *vote on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in the case of a vote by means of a poll;*
 - 7.1.1.2. *participate proportionally in any distribution made by the Company to the holders of its ordinary A Ordinary Shares; and*
 - 7.1.1.3. *receive proportionally the net assets of the Company upon its liquidation; and*
 - 7.1.2. *such number of each of such further classes of A Ordinary Shares, if any, as are set out in Annexure A subject to the preferences, rights, limitations and other terms associated with each such class set out therein.*
- 7.2. *The Board shall not have the power to –*
- 7.2.1. *increase or decrease the number of authorised A Ordinary Shares of any class of the Company's A Ordinary Shares;*
 - 7.2.2. *consolidate and reduce the number of the Company's issued and authorised A Ordinary Shares of any class;*
 - 7.2.3. *subdivide its A Ordinary Shares of any class by increasing the number of its issued and authorised A Ordinary Shares of that class without an increase of its capital;*
 - 7.2.4. *reclassify any classified A Ordinary Shares that have been authorised but not issued;*
 - 7.2.5. *classify any unclassified A Ordinary Shares that have been authorised but not issued;*
or
 - 7.2.6. *determine the preferences, rights, limitations or other terms of any A Ordinary Shares,*
and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.
- 7.4. *Subject to the provisions of the Memorandum of Incorporation (including, for the avoidance of doubt, Annexure A), the Act and, for as long as the Securities of the Company are listed on the JSE, the JSE Listings Requirements, to the extent applicable, the Company may, from time to time, in any manner as may be prescribed or permitted by law, reduce its issued share capital, stated capital, any share premium account and any capital redemption reserve fund and, in particular, without derogating from the generality of the power hereby conferred, may cancel any paid-up share capital which has been lost or is not represented by available assets or may pay off any paid-up share capital which is in excess of the requirements of the Company.*
- 7.5. *In addition, and without prejudice to, the provisions of clause 7.2, the number of authorised A Ordinary Shares of each class, and the preferences, rights, limitations and other terms associated with each class of A Ordinary Shares as set out in the Memorandum of Incorporation may be changed only by an amendment of the Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, and such amendments shall not be implemented without a special resolution adopted by the holders of A Ordinary Shares of that class at a separate meeting. The provisions of the Memorandum of Incorporation relating to Shareholders' Meetings shall mutatis mutandis apply to any such separate meeting except that –*

- 7.5.1. *the necessary quorum to commence the meeting and consider the matter shall be sufficient Shareholder present and entitled to vote Securities of that class holding in aggregate at least 25% (twenty five per cent) of all the voting rights that are entitled to be exercised on the matter, provided that the meeting may not begin unless, in addition, if there are more than 3 (three) Shareholders of that class, at least 3 (three) Shareholders entitled to vote;*
- 7.5.2. *for so long as the Securities of the Company are listed on the JSE, once a quorum has been established, all the Shareholders of that class constituting a quorum must be present to hear the matter; and*
- 7.5.3. *if a quorum is not present, the meeting shall be adjourned for 1 (one) week to the same day in the next week, or if that day is a public holiday, to the next succeeding day which is not a public holiday and if, at any such adjourned meeting of such Shareholders, the required quorum contemplated in clause 7.5.1 is not present, those entitled to vote who are present shall be the requisite quorum.*
- 7.6. *For so long as Securities of the Company are listed on the JSE, no A Ordinary Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of A Ordinary Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).*
- 7.7. *The Company may only issue A Ordinary Shares which are fully paid up and freely transferable (other than the B Shares which are transferable) only in the limited circumstances specifically contemplated in Annexure A) and only within the classes and to the extent that those A Ordinary Shares have been authorised by or in terms of the Memorandum of Incorporation.*
- 7.9. *The Board may, subject to clause 7.12 and the further provisions of this clause 7.8, resolve to issue A Ordinary Shares of the Company at any time, but only –*
 - 7.9.1. *within the classes and to the extent that those A Ordinary Shares have been authorised by or in terms of the Memorandum of Incorporation; and*
 - 7.9.2. *to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue A Ordinary Shares in its discretion or a specific authority in respect of any particular issue of A Ordinary Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next Annual General Meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such Annual General Meeting.*
- 7.12. *Notwithstanding the provisions of clauses 7.2, 7.11 and 7.13, any issue of A Ordinary Shares, Securities convertible into A Ordinary Shares, or rights exercisable for A Ordinary Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by way of a special resolution if the voting power of the class of A Ordinary Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the A Ordinary Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.*
- 7.13. *Notwithstanding the provisions of clause 7.11, the Shareholders may at a general meeting authorise the Directors to issue A Ordinary Shares of the Company at any time and/or grant options to subscribe for A Ordinary Shares as the Directors in their discretion think fit, provided that such transaction(s) has/have been approved by Shareholders and that, to the extent required in terms of applicable law, the documentation supporting the transaction(s) have been approved by the JSE, and comply with the JSE Listings Requirements.*

15. DEBT INSTRUMENTS

The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), but no special privileges associated with any such debt instruments as contemplated in section 43(3) may be granted, and the authority of the Board in such regard is accordingly limited by the Memorandum of Incorporation.

16. CAPITALISATION SHARES

16.1 *Save to the extent authorised by the Shareholders by means of ordinary resolution, and unless such transaction(s) has/have been approved by Shareholders and that, to the extent required in terms of applicable law, the documentation supporting the transaction(s) have been approved by the JSE and comply with the JSE Listing Requirement, the Board shall not have the power or authority to –*

16.1.1 *approve the issuing of any authorised Shares as capitalisation Shares;*

16.1.2 *to issue Shares of one class as capitalisation Shares in respect of Shares of another class; or*

16.1.3 *to resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share.*

16.2 *The Board may not resolve to offer a cash payment in lieu of awarding a capitalisation share, as contemplated in clause 16.1.3, unless the Board –*

16.2.1 *has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and*

16.2.2 *is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution.*

16.3 *The Company at a Shareholders' meeting on recommendation of the Directors, or the Directors, may, without limitation to its powers, at any time and from time to time, subject to the fulfilment of the requirements in section 47 and the JSE Listings Requirements, pass a resolution to capitalise any amounts or funds including –*

16.3.1 *any sum forming part of the undivided profits standing to the credit of the Company's reserve fund;*

16.3.2 *any sum in the hands of the Company and available for distribution as a dividend and not required for payment or provision of dividends on preference Shares;*

16.3.3 *any sum carried to reserve as a result of a sale or revaluation of the assets of the Company or part thereof; or*

16.3.4 *any sum received by way of premium on the issue of any shares or debentures of the Company,*

provided that the Board shall require Shareholder approval by ordinary resolution for any capitalisation issue where Shareholders are not entitled to participate in the capitalisation in proportion to their shareholding in the Company.

18. FINANCIAL ASSISTANCE

The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any Securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any such Securities, as set out in section 44, and the authority of the Board in this regard is not limited or restricted by the Memorandum of Incorporation.

29. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

29.1 Number of Directors

29.1.1 *In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 (four) Directors and the Shareholders shall be*

entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.

29.1.2 *All Directors shall be elected by an ordinary resolution of the Shareholders at a general or Annual General Meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.*

29.1.3 *Every person holding office as a Director, prescribed officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of schedule 5 to the Act, continue to hold that office.*

29.2 **Election of Directors**

29.2.1 *The appointment of all Directors shall be subject to shareholder approval at any general/Annual General Meeting.*

29.2.2 *In any election of Directors –*

29.2.2.1 *any Shareholder has the right to nominate Directors;*

29.2.2.2 *the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and*

29.2.2.3 *in each vote to fill a vacancy –*

29.2.2.3.1 *each vote entitled to be exercised may be exercised once; and*

29.2.2.3.2 *the vacancy is filled only if a majority of the votes exercised support the candidate.*

29.2.3 *The Company shall only have elected Directors and there shall be no appointed ex officio Directors as contemplated in section 66(4).*

29.3 **Eligibility, Resignation and Rotation of Directors**

29.3.1 *Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.*

29.3.2 *No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 29.3.2 –*

29.3.2.1 *at each Annual General Meeting referred to in clause 23.2.1, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3rd (one third), shall retire from office, provided that if any Director is appointed as managing Director or as an employee of the Company in any other capacity, he shall not, while he continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;*

29.3.2.2 *the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;*

29.3.2.3 *a retiring Director shall be eligible for re-election;*

29.3.2.4 *the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 28; and*

29.3.2.5 *if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of the Memorandum of Incorporation, including clauses 23.4.2 to 23.4.5 (both inclusive) will apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.*

29.3.3 *The Board shall, through its nomination committee if such committee has been constituted in terms of clause 35, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contributions made.*

29.4 **Powers of the Directors**

29.4.1 *The Board has the power to –*

29.4.1.1 *fill any vacancy on the Board on a temporary basis, as set out in section 68(3), provided that such appointment must be confirmed by the Shareholders, in accordance with clause 29.1.2, at the next Annual General Meeting of the Company, as required in terms of section 70(3)(b)(i); and*

29.4.1.2 *exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),*

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 29.

29.4.2 *The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of the Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.*

29.4.3 *Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.*

29.4.4 *All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.*

29.4.5 *If the number of Directors falls below the minimum number fixed in accordance with the Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 29.4.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with the Memorandum of Incorporation.*

29.4.6 *The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 29.4.5, their number remains below the minimum number fixed in accordance with the Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.*

31. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

31.1 *The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by the Memorandum of Incorporation.*

31.2 *Any Director who -*

31.2.1 *serves on any executive or other committee;*

31.2.2 *devotes special attention to the business of the Company;*

31.2.3 *goes or resides outside South Africa for the purpose of the Company; and/or*

31.2.4 *otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,*

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

31.3 *The Directors may also be paid all their travelling and other expenses properly and necessarily incurred by them in connection with -*

31.3.1 *the business of the Company; and*

31.3.2 *attending meetings of the Directors or of committees of the Directors of the Company.*

31.4 *The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, prescribed officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by the Memorandum of Incorporation.*

32 MANAGING DIRECTOR

32.1 *The Board must appoint a chief executive officer and an executive financial Director (as such offices are contemplated in the JSE Listings Requirements, if applicable). The Directors may from time to time appoint 1 (one) or more of their body to the office of managing Director for such term and at such remuneration as they may think fit (subject only to the requirements of section 66(8) and (9), and may revoke such appointment subject to the terms of any agreement entered into in any particular case, provided that the period of office of a managing Director appointed in terms of an agreement*

shall be for a maximum period of 5 (five) years at any one time. A Director so appointed shall be subject to retirement in the same manner as the other Directors except during the period of his agreement, and his appointment shall terminate if he ceases for any reason to be a Director.

38. DISTRIBUTIONS

38.1 Subject to the provisions of the Act, in particular section 46, the JSE Listings Requirements and Annexure A, the Company may make a proposed distribution if such distribution –

38.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

38.1.2 is authorised by resolution of the Board, provided however that the Board shall be obliged to declare a distribution to the B Shareholders in such maximum amount as may be available for distribution in the manner and within the timeframes contemplated in Annexure A.

38.4. In the event that the Company has not completed an acquisition of Viable Assets within the Initial Period, it must declare and pay a distribution to all ordinary Shareholders pro rata to their shareholding in the Company. Such distribution shall be an amount equal to the aggregate amount then in escrow (net of any applicable taxes and expenses related to the distribution and voluntary liquidation) plus the interest earned, divided by the aggregate number of securities.

38.7. No distribution of capital shall be made on the basis that such capital may be called up again by the Company.

38.10. Unclaimed distributions must be held by the Company in trust indefinitely but subject to the laws of prescription. Following this period, the unclaimed distributions may be invested or otherwise be made use of by the Directors for the benefit of the Company. Any unclaimed monies in respect of which the claims of the relevant Securities holders have prescribed shall be forfeited by resolution of the Directors for the benefit of the Company and may be dealt with by the Directors or their assigns as they deem fit.

38.11. Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to -

38.11.1. the holder at his registered address;

38.11.2. in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

38.11.3. such person and at such address as the holder or joint holders may in writing direct.

38.17. Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part -

38.17.1. by the distribution of specific assets;

38.17.2. by the issue of Shares, debentures or securities of the Company or of any other company;

38.17.3. in cash; or

38.17.4. in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.

42. AMENDMENT OF MEMORANDUM OF INCORPORATION

- 42.1. *Save for correcting errors substantiated as such from objective evidence or which are self-evident errors (including, but without limitation ejusdem generis, spelling, punctuation, reference, grammar or similar defects) in the MOI, which the Board is empowered to do in terms of section 17(1) and subject to the provisions of the Listings Requirements, all other amendments of the MOI shall be effected in accordance with section 16(1) and section 16(4) and the Listings Requirements. All such other amendments shall be approved by a special resolution passed by the Shareholders, but subject to clause 7.4.*
- 42.2. *Notice of any corrections made in terms of clause 42.1 must be given to Shareholders which may be done by way of notification on the Company's website, if any.*
- 42.3. *For the avoidance of doubt, amendments to the Memorandum of Incorporation shall include, without limitation -*
- 42.3.1. *the creation of any class of Shares;*
 - 42.3.2. *the variation of any preferences, rights, limitations and other terms attaching to any class of Shares;*
 - 42.3.3. *the conversion of one class of Shares into one or more other classes;*
 - 42.3.4. *an increase in the number of authorised Securities of a class;*
 - 42.3.5. *a consolidation of Securities;*
 - 42.3.6. *a sub-division of Securities; and/or*
 - 42.3.7. *the change of name of the Company.*

1. ADDITIONAL CLASSES OF SHARES

In addition to the Shares contemplated in clause 7.1.1 of the Memorandum of Incorporation, the Company is authorised to issue no more than 1 (one) no par value share, designated as a B Share, with the preferences, rights, limitations and other terms set out hereunder.

2. PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE B SHARES

(a) Save for such rights as are unalterable under applicable laws and regulations or as otherwise envisaged in the Memorandum of Incorporation, the B Share shall not have any rights, including voting rights, other than as outlined below. The B Share shall be issued to the holder strictly as compensation for the performance of services under the Management Agreement and accords to the holder:

2.2.1 the right to be entered in the Securities Register of the Company as the registered holder of that B Share;

2.2.2 the right to attend, participate in, and speak at any meeting of B Shareholders which, for the avoidance of doubt, shall not entitle the B Shareholder (other than as envisaged in paragraph 2.2.4 to vote at any meeting of the ordinary Shareholders;

2.2.3 the right on a poll to exercise one vote per B Share held by that B Shareholder on any matter to be decided upon by the ordinary Shareholders (but only as envisaged in paragraph 2.2.4 below);

2.2.4 the right to receive notice of all Shareholder Meetings (including, for the avoidance of doubt, meetings of B Shareholders) and to attend and take part, but not vote at meetings of ordinary Shareholders, unless:

2.2.4.1 a B Dividend (as defined below) remains in arrears and unpaid for more than three months after the due date for payment thereof, provided that the right to vote conferred on the B Shareholder

in terms of this paragraph 2.2.4.1 of this **Annexure A** shall cease if and when a B Dividend is thereafter declared and paid;

2.2.4.2 a B Dividend is not declared and paid when such B Dividend is due, within three months after such B Dividend is due, provided that the right to vote conferred on the B Shareholder in terms of this paragraph 2.2.4.1 shall cease if and when a B Dividend is thereafter declared and paid; and

2.2.4.3 subject to paragraph 2.4 below, a resolution of the Company (including, for the avoidance of doubt, a resolution to amend the Memorandum of Incorporation of the Company) is proposed which affects the rights, preferences, privileges or benefits attaching to the B Share or the rights of the B Shareholder that arise from the subscription for and/or holding of the B Share, including a resolution:

2.2.4.3.1 to wind-up, liquidate or dissolve the Company, or to have it placed under business rescue proceedings, or to pursue a moratorium or a composition, compromise or similar arrangement with any of its creditors;

2.2.4.3.2 to repurchase, cancel or expropriate the B Share (or any rights attaching thereto);

2.2.4.3.3 to authorise and/or issue any Securities in the Company which rank in priority to or *pari passu* with the B Share in respect of rights to dividends or a return of capital, in which case the B Shareholder shall be entitled to vote at such meetings in the manner contemplated in clause 25.2 of the Memorandum of Incorporation;

2.2.5 if, at any time, the B Shareholder would be entitled to vote its B Share under paragraph 2.2.4 at a Shareholder Meeting of the Company, if one were to be held, the B Shareholder may, by notice to the Company, require the Company to call a Shareholder Meeting to consider any of those matters on which the B Shareholder is entitled to vote, including a resolution to declare a B Share dividend when required under, or as envisaged by, the Memorandum of Incorporation or otherwise requiring the Company to comply with its obligations to the B Shareholder.

Notwithstanding any other provisions of the Memorandum of Incorporation, a resolution adopted at such meeting will be binding on and must be given effect to by the Company and the Directors;

2.2.6 the right to receive out of the profits of the Company which are available for Distribution, in priority to and before any repayment of any capital or interest on any Shareholder loans by the Company or any provision for, declaration or payment of any dividend or return of capital or other Distribution on another class of Securities (including ordinary Shares) in the capital of the Company, dividends declared on the B Share ("**B Dividends**") for each Accounting Period in an aggregate amount (for all the B Shares) calculated at the end of each Accounting Period in accordance with Formula 1, Formula 2, Formula 3 and Formula 4 below:

Formula 1:

Used to calculate the annual B Dividend which is subject to a claw-back mechanism.

Annual B Dividend formulas:

$$X = (B/C) - 1$$

If X is **greater than or equal to** 10% then the following formula applies:

$$A = (B - C) \times ((X - 10\%)/X) \times 15\%$$

If X is **less than** 10% then $A = 0$

Formula 2:

Used to calculate the claw-back B Dividend.

Claw-back B Dividend formulas:

$$Y = (B/E)^{(1/W)} - 1$$

If Y is **greater than or equal to** 10% then the following formula applies:

$$D = (B - E) \times ((Y - 10\%)/Y) \times 15\%$$

If Y is **less than** 10% then $D = 0$

Formula 3:

Used to calculate the adjustment factor to be applied to the actual B Dividend to be paid to B Shareholders.

Dividend adjustment formula:

$$F = D - (Z + A)$$

Formula 4:

Actual B Dividend to be paid in an Accounting Period.

B Dividend payable:

$$G = A + F, \text{ however, if } G \text{ is less than } 0 \text{ then } G = 0$$

Where:

A = the annual B Dividend calculated for each Accounting Period, which is subject to the claw-back as calculated in Formula 2, Formula 3 and Formula 4;

B = the Invested NAV as at the last day of the Accounting Period, after subtracting any equity capital raised from shareholders in the listed market and after adding back the management fee paid and accrued to RH Bophelo Management Company (Pty) Ltd (Registration No. 2016/533552/07) under the Management Agreement during the Accounting Period;

C = the Invested NAV as at the first day of the Accounting Period. For the purposes of the calculation of the 1st B Dividend payable, "C" will be based on the initial Invested NAV, being R500 000 000 (five hundred million rand), which is the NAV as at the date the Company is listed on the Main Board of the JSE;

D = the claw-back B Dividend calculated for each Accounting Period, which is subject to Formula 3 and Formula 4;

E = R500 000 000 (five hundred million rand), being the NAV on the date that the Company is listed on the Main Board of the JSE;

F = the adjustment to be applied to the B Dividend as a result of the claw-back, Annual B Dividend and previous B Dividends paid;

G = the B Dividend payable to the B Shareholders for each Accounting Period;

W = the number of full accounting periods, expressed in year(s) from the date the Company is listed on the Main Board of the JSE to the last day of the Accounting Period. As an example, if the Company were to calculate the B Dividend payable for the 5th year following the listing of the Company on the Main Board of the JSE, then "W" = 5;

X = the growth in NAV, calculated as a percentage, measured from the first day of the Accounting Period to the last day of the Accounting Period;

Y = the growth in NAV, calculated as a percentage, measured from the date that the Company is listed on the Main Board of the JSE, with an initial NAV of R500 000 000 (five hundred million rand) to the last day of the Accounting Period; and

Z = the sum of all previous B Dividends paid (and accrued) to Manco, as calculated in terms of "G" above (not "A" above), from date that the Company is listed on the Main Board of the JSE to the first day of the Accounting Period (i.e. all B Dividends previously paid but excluding any B Dividend which may be payable during the current Accounting Period).

2.2.7 a B Dividend shall be declared and paid in full within 30 (thirty) days after each Accounting Period. In the event that a B Dividend is not declared and paid within 30 (thirty) days after an Accounting Period (or that such

B Dividend is declared, but not paid in full), for any reason whatsoever, than the B Dividend (and/or the unpaid portion thereof) shall be accumulated and accrue interest at the Prime Rate plus 2% (two percent)) from the date on which such B Dividend (and/or the unpaid portion thereof) should have been paid until the date of actual payment thereof; and

2.2.8 any other rights attaching to the B Share in terms of the Act, any other provisions of this Memorandum of Incorporation or any other applicable law, in each case in accordance with and subject to the further provisions of the Memorandum of Incorporation applicable to such B Share. Each B Share ranks pari passu in all respects with every other B Share.

(b) For the avoidance of doubt, it is recorded and agreed that, save in respect of the repurchase of the B Share in the manner contemplated in the Memo, no dividend or return of capital or other Distribution whatsoever (including a distribution in the form of the B Dividend) shall accrue or be payable to the B Shareholder under any circumstances whatsoever after the date of termination of the Management Agreement;

(c) The B Share will not be admitted to listing and trading on any stock exchange, including the securities exchange operated by the JSE.

(d) The Company shall, only after (but not prior to) the termination of the Management Agreement, be obliged to repurchase the B Share in the manner set out in the Memorandum of Incorporation.

(e) Subject to paragraph 2.5, the transferability of the B Share is hereby restricted and the B Share may not, once issued, be transferred in any way by the B Shareholder.