

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply mutatis mutandis throughout this Circular including the cover page.

ACTION REQUIRED

Shareholders are referred to page 2 of this Circular, which sets out the action required of them with regard to the General Meeting. If you are in any doubt as to the action that you should take, please consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Shares, this Circular and the Form of Instruction should be forwarded to the purchaser to whom, or the CSDP, Broker or agent through whom, you disposed of your Shares.



CSG HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2006/011359/06)

Share Code: CSG

ISIN ZAE000184438

("CSG")

CIRCULAR TO SHAREHOLDERS

Relating to:

- the adoption of the Bonus Share Plan;

and incorporating:

- a Notice of General Meeting; and
 - a Form of Proxy (*grey*) for purposes of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-name Registration only).
-

Sponsor and Transaction Adviser



PSG CAPITAL

Date of issue: Friday, 25 October 2019

Copies of this Circular are available in English only and may be obtained during normal business hours from the registered office of CSG and from the offices of PSG Capital, whose addresses are set out in the "Corporate Information" section of this Circular from Friday, 25 October 2019 until Friday, 22 November 2019 (both days inclusive). A copy of this Circular will also be available on CSG's website (<https://www.csgholdings.co.za>).

CORPORATE INFORMATION

DIRECTORS OF CSG

Bulelani Thandabantu Ngcuka* (*Chairman*)
Petrus Johannes Jacobus Dry (*Chief executive officer*)
Jacobus Gerrit Nieuwoudt (*Chief operating officer*)
William Edward Scott (*Chief financial officer*)
Mathukana Mokoka*# (*Lead independent Director*)
Renganayagee Kisten*#
Nona Ndiliseka Sonjani*#
Nathan-Lee Ramages*

* *Non-executive*

Independent

DATE OF INCORPORATION

12 April 2006

PLACE OF INCORPORATION

Johannesburg, South Africa

REGISTERED OFFICE

6 Topaz Avenue
Lyttelton Manor Ext 3
Centurion 0157
(Postal address as above)

TRANSFER SECRETARIES

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braaimfontein 2001
(PO Box 4844, Johannesburg 2000)

SPONSOR AND TRANSACTION ADVISER

PSG Capital Proprietary Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at

2nd Floor
11 Alice Lane (Bowmans Building)
Sandhurst
Sandton, 2196
(PO Box 650957, Benmore, 2010)

COMPANY SECRETARY

Mark Nico Hattingh
6 Topaz Avenue
Lyttelton Manor Ext 3
Centurion 0157
(Postal address as above)

AUDITORS

BDO South Africa Inc
52 Corlett Drive, Wanderers Office Park
Illovo, 2196
(Private Bag X5, Northlands, 2116)

CONTENTS

	Page
Corporate information	Inside front cover
Action required	2
Salient times and dates	3
Definitions and interpretations	4
Circular to Shareholders	7
1. Introduction and purpose of the Circular	7
2. Rationale for the Bonus Share Plan	7
3. Summary of the Bonus Share Plan	8
4. Replacement of the Existing Share Incentive Scheme	11
5. General Meeting	11
6. Experts' consents	12
7. Responsibility statement	12
8. Documents available for inspection	12
Notice of General Meeting	13
Form of Proxy (<i>grey</i>) for purposes of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-name Registration only)	Enclosed

ACTION REQUIRED

The definitions and interpretations commencing on page 4 of this Circular apply to this section.

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your Shares in CSG, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was affected.

The General Meeting will be held at 10:00 on Friday, 22 November 2019 at CSG's offices, Equity Park, Block A, 257 Brooklyn Road, Brooklyn, Pretoria, at which General Meeting Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

1. DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED SHAREHOLDERS

1.1. Voting at the General Meeting

- 1.1.1. Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 1.1.2. If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 1.1.3. If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your Broker or CSDP.
- 1.1.4. **You must not complete the attached Form of Proxy (grey).**

1.2. Attendance and representation at the General Meeting

- 1.2.1. In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
 - 1.2.1.1. attend, speak and vote at the General Meeting; or
 - 1.2.1.2. send a proxy to represent you at the General Meeting.
- 1.2.2. Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2. CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALISED SHAREHOLDERS

2.1. Voting and attendance at the General Meeting

- 2.1.1. You may attend the General Meeting in person and may vote at the General Meeting.
- 2.1.2. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (grey) in accordance with the instructions contained therein and lodging, posting or e-mailing it to the Transfer Secretaries or the Company Secretary at the addresses set out below, to be received by them, for administrative purposes, by no later than 10:00 on Wednesday, 20 November 2019 or thereafter by handing such form to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Company Secretary

Mark Nico Hattingh
6 Topaz Avenue
Lyttelton Manor Ext 3
Centurion 0157
(Postal address as above)

Transfer Secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braaimfontein 2001
(PO Box 4844, Johannesburg 2000)

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply to these salient dates and times.

2019

Notice record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to receive notice of the General Meeting on	Friday, 18 October
Announcement of distribution of Circular and notice convening the General Meeting released on SENS on	Friday, 25 October
Circular incorporating the Notice of General Meeting and Form of Proxy (<i>grey</i>), distributed to Shareholders on	Friday, 25 October
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 3 below) on	Tuesday, 12 November
General Meeting record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 15 November
For administrative reasons, Forms of Proxy (<i>grey</i>) in respect of the General Meeting to be lodged at or received via post or e-mail by the Transfer Secretaries or Company Secretary by no later than 10:00 on	Wednesday, 20 November
Form of Proxy (<i>grey</i>) in respect of the General Meeting to be handed to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at the General Meeting on	Friday, 22 November
General Meeting held at 10:00 on	Friday, 22 November
Results of the General Meeting published on SENS on	Friday, 22 November
Results of the General Meeting published in the South African press on	Monday, 25 November

Notes:

1. All dates and times indicated above are South African Standard Time.
2. The above dates and times are subject to amendment at the discretion of CSG. Any such amendment will be released on SENS and published in the South African press.
3. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 12 November 2019 will not be eligible to attend, participate in and vote at the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular 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:

“Award Certificate”	the certificate which will be delivered to eligible Employees in respect of which Bonus Awards are granted and which certificate will include the relevant details of the Bonus Award;
“Award Date”	the date, specified in the Award Certificate, on which a Bonus Award is granted to an Employee;
“Board” or “Directors”	the board of directors of CSG, from time to time;
“Bonus Award”	an award of cash and Bonus Shares (in the form of a Forfeitable Award) granted to a Participant;
“Bonus Cash Award”	that component of the Bonus Award which is paid in cash to the Participant;
“Bonus Share Award”	that component of the Bonus Award in respect of which Bonus Shares are awarded to the Participant;
“Bonus Shares”	the number of Shares granted to a Participant in terms of a Forfeitable Award;
“Bonus Share Plan”	the CSG Holdings Limited Bonus Share Plan constituted by the Trust Deed and the Bonus Share Plan Rules, as amended from time to time;
“Bonus Share Plan Rules”	the rules governing the Bonus Share Plan, a copy of which is available for inspection, as indicated in paragraph 8 of this Circular;
“Broker”	a “stockbroker” as defined in the Financial Markets Act, or its nominee;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“Certificated Shares”	Shares that have not been Dematerialised, title to which is evidenced by a share certificate or other Documents of Title;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Company Secretary”	the company secretary of CSG as appointed in terms of the Companies Act, from time to time;
“Control”	has the meaning ascribed thereto in section 2(2) of the Companies Act;
“CSDP”	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;
“CSG” or “the Company”	CSG Holdings Limited (registration number 2006/011359/06), a public company incorporated under the laws of South Africa;
“Custody Agreement”	a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on CSG’s uncertificated securities register administered by a CSDP or Broker on behalf of that person;
“Dematerialise” or “Dematerialised” or “Dematerialisation”	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in CSG’s uncertificated securities register administered by a CSDP;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
“Employee”	a person eligible for participation in the Bonus Share Plan, namely an employee of any company in the Group as determined by the Directors but excluding any member of the Remuneration Committee and excluding any Trustee;
“Employer Company”	a company in the Group which employs an Employee, including a company in the Group that employs an Employee that has been transferred to such company subsequent to an Award Date;

“Encumber”	any right of first refusal, purchase right, option or any other restriction of any kind on ownership, transfer, use, possession, receipt of income from or any other exercise of any attribute of ownership, including any mortgage, pledge, lien or other security interest;
“Escrow Agent”	the Trust;
“Existing CSG Share Incentive Scheme ”	the existing CSG share incentive scheme operated by CSG, adopted on 28 October 2013 and in terms of which no new awards shall be granted as from the date of adoption of the Bonus Share Plan;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012;
“Financial Year”	the financial year of the Company, which as at the date of adoption of the Bonus Share Plan runs from 1 April to 31 March each year;
“Forfeitable Award”	a Bonus Award of Bonus Shares, which Bonus Shares shall be held by the Participant but under the control of the Escrow Agent from the Award Date (or as soon as possible thereafter) to the Release Date, subject to the provisions of the Bonus Share Plan Rules relating to the forfeiting, lapsing and/or early vesting of such Bonus Shares;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>grey</i>) for use only by Certificated Shareholders and Own-name Registered Dematerialised Shareholders;
“General Meeting”	the general meeting of Shareholders to be held at 10:00 on Friday, 22 November 2019 at CSG’s offices, Equity Park, Block A, 257 Brooklyn Road, Brooklyn, Pretoria, convened in terms of the Notice of General Meeting enclosed and forming part of this Circular, together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;
“Group”	the Company and its direct and indirect subsidiaries, from time to time;
“Group Member”	an Employer Company or a company which is the Company’s holding company or a subsidiary of the Company’s holding company;
“JSE”	the exchange, licensed under the Financial Markets Act, operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Friday, 18 October 2019;
“Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“Market Value”	the 30-day volume weighted average price of Shares traded on the JSE on the relevant date;
“Notice of General Meeting”	the notice of the General Meeting of Shareholders, forming part of this Circular;
“Own-name Registration” or “Own-name Registered”	Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
“Participant”	an Employee to whom a Bonus Award has been granted in terms of the Bonus Share Plan, including the executor or representative of the Employee’s deceased estate;
“Prohibited Period”	means a prohibited period as defined in the Listings Requirements;
“PSG Capital” or “Sponsor”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company incorporated under the laws of South Africa, the particulars of which appear in the “Corporate Information” section of this Circular;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Reconstruction and Takeover”	any takeover, merger or reconstruction however effected, including a reverse takeover, reorganisation or scheme, general offer or otherwise, but does not include any event which does not involve any change in Control of the Company;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Release Date”	the date on which a Participant becomes entitled to the Bonus Shares free of any restrictions after a minimum period of 3 (three) years from the Award Date;
“Remuneration Committee”	the Remuneration Committee of the Board, the members of which do not hold any executive office within the Group;
“Rights Offer”	the offer of any securities of CSG to all Shareholders pro rata to their holdings at the relevant record date;
“SENS”	the Stock Exchange News Service of the JSE;

“Settlement”	delivery and/or transfer of the required number of Bonus Shares to a Participant on the Award Date (or as soon as possible thereafter) and “Settled” shall have the corresponding meaning;
“Settlement Date”	the date on which Settlement occurs;
“Shareholders”	registered holders of Shares;
“Shares”	ordinary no par value shares in CSG’s share capital;
“South Africa”	the Republic of South Africa;
“Subsidiary”	a “subsidiary” as defined in the Listings Requirements;
“Strate”	Strate Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“Transfer Secretaries”	Link Market Services South Africa Proprietary Limited (registration number 2000/007239/07), a private company incorporated under the laws of South Africa;
“Trigger Event”	a material misstatement of the financial results of the Company and/or Member of the Group, resulting in an adjustment in the audited consolidated accounts of the Company; and/or any payment of all or part of a Bonus Cash Award or transfer of any Bonus Shares of a Bonus Share Award, which was based on inaccurate or misleading information; and/or fact that any information used to determine the quantum of a Bonus Award was based on inaccurate or misleading information; and/or action or conduct of a Participant which, in the reasonable opinion of the Remuneration Committee, as the case may be, amounts to serious misconduct (which includes but is not limited to fraudulent conduct and/or dishonest conduct) and/or gross negligence; and/or events or behaviour of a Participant or the existence of events attributable to a Participant which led to the censure of the Company, by a regulatory authority or have had a significant detrimental impact on the reputation of the Company;
“Trust”	the CSG Holdings Limited Share Incentive Trust (Master’s Reference Number: IT000225/15) responsible for the administration of the Bonus Share Plan;
“Trust Deed”	the restated and amended trust deed in terms of which the Trust is established and any deed of amendment thereto which incorporates the Bonus Share Plan Rules as an annexure, a copy of which is available for inspection, as indicated in paragraph 8 of this Circular; and
“Trustees”	the trustees of the Trust duly appointed in terms of the Trust Deed and authorised to act in such capacity in terms of the Master’s certificate issued from time to time, which shall expressly exclude any executive director of the Company.



CSG HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2006/011359/06)

Share Code: CSG

ISIN ZAE000184438

("CSG")

Directors

Bulelani Thandabantu Ngcuka* (*Chairman*)

Petrus Johannes Jacobus Dry (*Chief executive officer*)

Jacobus Gerrit Nieuwoudt (*Chief operating officer*)

William Edward Scott (*Chief financial officer*)

Mathukana Mokoka** (*Lead independent Director*)

Renganayagee Kisten**

Nona Ndiliseka Sonjani**

Nathan-Lee Ramages*

* *Non-executive*

Independent

CIRCULAR

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

- 1.1. On Friday, 25 October 2019, CSG announced the proposed adoption of the Bonus Share Plan, which requires the approval of Shareholders at the General Meeting.
- 1.2. The Bonus Share Plan is being proposed in order to attract, retain and reward selected Employees of the Employer Companies who are able to contribute to the growth of the Employer Companies and to stimulate the personal involvement of these Employees in the Employer Companies, by providing them with the opportunity of receiving Shares in CSG, thereby encouraging their continued service with the Employer Companies.
- 1.3. The purpose of this Circular is to provide Shareholders with details of the Bonus Share Plan and all other relevant information pertaining to the implementation thereof, for Shareholders to make an informed decision at the General Meeting.

2. RATIONALE FOR THE BONUS SHARE PLAN

- 2.1. The purpose of the Bonus Share Plan is to attract, retain and reward Employees of the Group by providing them with the opportunity to share in the success of CSG and to be incentivised to deliver on the business strategy of CSG, providing alignment between the Participants and Shareholders.
- 2.2. This will be achieved by granting Bonus Awards to Participants, comprising a cash component payable on the date of the award and/or Bonus Shares, which may be forfeitable at a future date.
- 2.3. The objectives of the Bonus Share Plan are balanced between the cost of implementing the Bonus Share Plan and the risk of dilution of current Shareholders, while being cognisant of the fact that Shareholders will need to approve the Bonus Share Plan by an ordinary resolution supported by at least 75% of the voting rights exercised on such resolution.
- 2.4. The Bonus Share Plan shall replace the Existing CSG Share Incentive Scheme (in that no new awards will be made under the Existing CSG Share Incentive Scheme).

3. SUMMARY OF THE BONUS SHARE PLAN

3.1. Introduction

- 3.1.1.** The purpose of the Bonus Share Plan is to attract, retain and reward Employees. This will be achieved by providing them with the opportunity of receiving cash and Shares in CSG through Bonus Awards.
- 3.1.2.** The Bonus Share Plan provides that the Bonus Awards are granted on the following basis:
 - 3.1.2.1.** for a Bonus Cash Award, a cash amount payable to a Participant on the Award Date; and
 - 3.1.2.2.** for a Bonus Share Award, as a Forfeitable Award, in respect of which Participant's will be registered as the beneficial owner of Bonus Shares on the Award Date but which will be held in escrow by the Escrow Agent for a period of 3 (three) years from the Award Date and vest in the Participant at the end of such period, provided the Participant does not cease to be an Employee of a Group Member before the Release Date.

3.2. Participants

Participation in terms of the Bonus Share Plan will include all Employees employed by an Employee Company and which the Remuneration Committee, on the recommendation of the relevant Employer Company, may determine is eligible to participate in the Bonus Share Plan. Final discretion regarding participation in the Bonus Share Plan will remain with the Remuneration Committee.

3.3. Rights of Participants

- 3.3.1.** On the Settlement Date of Bonus Awards granted to a Participant, the relevant number of Bonus Shares will be registered in the name of the Participants as beneficial owners thereof but shall be delivered to and held by the Escrow Agent in escrow until the Release Date.
- 3.3.2.** Participants will be entitled to Shareholder rights on the Settlement Date of the Forfeitable Awards, including dividend and voting rights, however, shall not be entitled to Encumber and/or dispose of any Bonus Shares until such shares are released by the Escrow Agent on the Release Date.
- 3.3.3.** Bonus Shares shall vest in the Participants on the Release Date, provided the Participants are employed by a Group Member on such date, where after the Escrow Agent shall deliver such shares to the Participants.

3.4. Basis of Bonus Awards

- 3.4.1.** The Employer Companies will periodically recommend to the Remuneration Committee which Employees it wishes to incentivise by the Remuneration Committee granting Bonus Awards, whereupon the Remuneration Committee shall, at its discretion, periodically grant Bonus Awards to the Employees concerned by procuring the delivery of Award Certificates to such Employees which will contain the details of the Bonus Award as determined by the Remuneration Committee.
- 3.4.2.** After receipt of an Award Certificate, the Participant shall be entitled to elect (in writing to such effect) that percentage of the Participant's Bonus Award, which will be paid in cash to the Participant by the relevant Employer Company, which shall not exceed 75% of the Participant's Bonus Award.
- 3.4.3.** The Participant shall also elect (in writing to such effect) that percentage of the Bonus Award (being the remaining percentage of the Participant's Bonus Award after deducting the percentage in paragraph 3.4.2) to be used for a Forfeitable Award of Bonus Shares.
- 3.4.4.** The Rand amount elected by the Participant to be used for a Forfeitable Award of Bonus Shares shall be multiplied by a factor of between 1 and 2, as determined by the Remuneration Committee (based on the seniority and performance of the Participant), and set out in the Award Certificate.
- 3.4.5.** The number of Bonus Shares which may be awarded as a Forfeitable Award will be determined by the Remuneration Committee, by dividing the Rand amount in paragraph 3.4.4, by the 30-day volume weighted average price of the Shares traded on the JSE on the Award Date.
- 3.4.6.** Thereafter the Employer Company shall instruct the Escrow Agent to give effect to the Bonus Share Award component of the Bonus Award.
- 3.4.7.** Bonus Awards shall not, unless the Remuneration Committee determines that special circumstances exist, be granted to an Employee who has given or received notice of termination of employment and/or is within 12 (twelve) months of the Employee's anticipated date of retirement.

3.5. Manner of Settlement of Forfeitable Awards

- 3.5.1.** The Bonus Share Plan Rules allow for Settlement in any of the following manners:
 - 3.5.1.1.** by way of a market purchase of Shares by the Escrow Agent on the instruction of the relevant Employer Company; and
 - 3.5.1.2.** by way of subscribing for Shares by the Escrow Agent from CSG on the instruction of the relevant Employer Company.
- 3.5.2.** The exact method of Settlement will be determined by the Remuneration Committee for each Bonus Award.
- 3.5.3.** On the Settlement Date and on the instruction of the relevant Employer Company, Bonus Shares shall be acquired and/or delivered to the Escrow Agent who will hold such Bonus Shares in escrow from the Settlement Date to the Release Date.
- 3.5.4.** If the Participant does not cease to be an Employee of a Group Member by the Release Date, the Escrow Agent shall deliver the Bonus Shares to the Participant and into the Participant's personal securities account less any such Bonus Shares required to settle any tax obligation for which the Participant is liable and sold in the market, to the extent the Participant does not make payment of any such tax liability to the relevant Employer Company prior thereto.

3.6. Limits and adjustments

3.6.1. Overall limit

- 3.6.1.1.** The aggregate number of Shares which may be Settled in respect of the Bonus Share Plan to all Participants will not exceed 52,128,850 (fifty-two million one hundred twenty-eight thousand eight hundred and fifty) Shares, which represents approximately 10% of the number of issued Shares as at the Last Practicable Date. This is in line with market best practice.
- 3.6.1.2.** In calculating the limit for the Bonus Share Plan, new Shares allotted and issued by CSG or Shares held in a treasury account which have been used by CSG for Settlement of the Bonus Share Plan, will be included in the overall limit. This limit will be calculated to exclude Shares purchased on the market in Settlement of the Bonus Share Plan.

3.6.2. Individual Limit

The maximum number of Shares which may be Settled to any single Participant in terms of the Bonus Share Plan will not exceed 15,638,655 (fifteen million six hundred thirty-eight thousand six hundred and fifty-five) Shares, which represents approximately 3% of the number of issued Shares as at the Last Practicable Date.

3.6.3. Adjustments related to Bonus Share Plan limits

- 3.6.3.1.** The Remuneration Committee must, where required, adjust the individual limit (without the prior approval of Shareholders in a general meeting), to take account of a sub-division or consolidation of the Shares of CSG. Such adjustment to the number of Shares should result in CSG still being capable of settling the same percentage of Shares as was the case prior to the occurrence of the event.
- 3.6.3.2.** The Remuneration Committee may, where required, adjust the overall limit and individual limit to take account of a capitalisation issue, a special distribution, a Rights Offer or reduction in capital of CSG. Such adjustment to the number of Shares should result in CSG still being capable of settling the same percentage of Shares as was the case prior to the occurrence of the event.
- 3.6.3.3.** The auditors of CSG at the relevant time, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph 3.6.3 has been properly calculated on a reasonable and equitable basis, in accordance with the Bonus Share Plan Rules and must be reported on in CSG's financial statements in the year during which the adjustment is made.
- 3.6.3.4.** Any adjustments made in accordance with paragraph 14.3 of the Listings Requirements, must be reported on in CSG's annual financial statements in the year during which the adjustment is made.
- 3.6.3.5.** The issue of Shares as consideration for an acquisition, and the issue of Shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the overall or individual limit.
- 3.6.3.6.** Bonus Awards under the Bonus Share Plan which are not subsequently delivered to a Participant as a result of the forfeiture or lapsing thereof will revert back to the Bonus Share Plan.

3.7. Consideration

The Participant will give no consideration for the Bonus Award or Settlement of any Bonus Awards or Shares in terms of the Bonus Share Plan.

3.8. Termination of employment

3.8.1. "Fault Termination"

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or on the basis of abscondment, will forfeit all Bonus Awards which have been granted but in respect of which the Release Date has not occurred and which accordingly have not vested, unless, the Remuneration Committee decides otherwise in its sole discretion.

3.8.2. "No Fault Termination"

Termination of employment due to death, retrenchment, ill-health, disability, injury, the sale of a Subsidiary, or for any other reason other than those set out in paragraph 3.8.1, will be classified as "No Fault Termination". In such circumstances, the Release Date of Bonus Shares granted to a Participant shall be advanced to a date determined by the Remuneration Committee.

3.9. Takeovers and Restructuring

3.9.1. In respect of any Reconstruction or Takeover, the Release Date in respect of any Bonus Shares granted under a Bonus Award shall be brought forward to the date on which such offer becomes unconditional or such other date as determined by the Remuneration Committee.

3.9.2. If the Company is or is expected to be affected by any internal reconstruction or other event which does not involve a change in Control, and therefore is not a Reconstruction or Takeover, or if any other corporate action is taken, which in the opinion of the Remuneration Committee, would affect the current or future value of any Bonus Award, the Remuneration Committee may, in its discretion, take such action as appears appropriate in the circumstances. The Remuneration Committee will notify any Participant who is affected by the exercise of any discretion under this Rule.

3.9.3. Where necessary, in respect of any such actions, the Company's auditors, acting as experts and not as arbitrators, and whose decision will be final and binding on all persons affected thereby, will, at the relevant time, confirm to the Directors and the JSE in writing that these actions are on a non-prejudicial basis and are in accordance with the provisions of the Bonus Share Plan.

3.10. Variation of share capital

3.10.1. In the event of a Rights Offer, capitalisation issue, capital distribution, subdivision of Shares, consolidation of Shares, the Shares ceasing being listed on the JSE, the Company being put into liquidation for the purpose of reorganisation or any other event affecting the share capital of the Company, or in the event of the Company making distributions to shareholders, including a distribution in specie or a payment in terms of section 46 of the Companies Act (other than a dividend paid in the ordinary course of business out of the current year's retained earnings), Participants shall continue to participate in the Bonus Share Plan, however the Remuneration Committee may vary the number of Bonus Shares comprised in a Bonus Award to take account of any variation in the share capital of the Company, to ensure that the Participant is not disadvantaged and that any such adjustment shall give the Participant entitlement to the same proportion of the equity capital of the Company as that to which the Participant was entitled prior to the adjustment.

3.10.2. The Remuneration Committee may make such adjustment to the Bonus Award or take such other action to place Participants in no worse a position than they were in prior to the happening of the relevant event and to provide that the fair value of the Award immediately after the event is materially the same as the fair value of the Bonus Award immediately before the event.

3.10.3. The issuing of Shares as consideration for an acquisition, and the issuing of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Bonus Awards.

3.11. Malus and Clawback

3.11.1. To the extent that a Trigger Event occurs within 3 (three) years of an Award Date of a Bonus Share Award or the cash payment of a Bonus Cash Award, (whether prior to a Participant's termination of employment or thereafter), the Employer Company and/or the Company shall be entitled, but not obliged:

3.11.1.1. to deliver written demand to the Employee or former-Employee, as the case may be, to make payment of the Rand amount equal to:

3.11.1.1.1. the after-tax cash component of any Bonus Cash Award paid in the year or years, as the case may be, in which the Trigger Event occurred; and

3.11.1.1.2. the Market Value of the number of Bonus Shares delivered to the Participant on the Release Date, less taxes paid on the Release Date, in the year or years, as the case may be, in which the Trigger Event occurred;

3.11.1.2. in the event the Trigger Event occurs prior to a Release Date of any Bonus Share Award of a Participant, to lapse and declare null and void all or any part of the Bonus Share Award.

3.11.2. The malus and clawback provisions of this paragraph 3.11 shall continue to apply to an Employee for a period of 3 (three) years after any Bonus Award has vested in the Employee on the applicable Release Date, whether or not such person is still an Employee at the time that the Trigger Event is met or at the time the Employer Company becomes aware of the occurrence of a Trigger Event.

3.12. Liquidation

If CSG is placed into liquidation, other than for purposes of reorganisation, Bonus Awards which have been granted but in respect of which the Release Date has not occurred will lapse as from the liquidation date.

3.13. Amendment

The Remuneration Committee may alter or vary the Bonus Share Plan Rules as it sees fit, however in the following instances the Bonus Share Plan may not be amended without the prior approval of the JSE and an ordinary resolution of Shareholders supported by at least 75% of the voting rights exercised on such resolution:

3.13.1. the category of persons who are eligible for participation in the Bonus Share Plan;

3.13.2. the number of Shares which may be utilised for the purpose of the Bonus Share Plan;

3.13.3. the individual limitations on benefits or maximum entitlements;

3.13.4. the basis upon which Bonus Awards are made;

3.13.5. the voting, dividend, transfer and other rights attached to the Bonus Awards, including those arising on a liquidation of CSG;

3.13.6. the adjustment of Bonus Awards in the event of a variation of the share capital of CSG or a change of Control of CSG; and

3.13.7. the procedure to be adopted in respect of the vesting of Bonus Awards in the event of termination of employment.

4. REPLACEMENT OF THE EXISTING CSG SHARE INCENTIVE SCHEME

The Bonus Share Plan will replace the Existing CSG Share Incentive Scheme in its entirety. It is noted that no new awards will be made in terms thereof, as all future awards will be made in terms of the proposed new Bonus Share Plan.

5. GENERAL MEETING

5.1. A General Meeting of Shareholders will be held at 10:00 on Friday, 22 November 2019, at CSG's offices, Equity Park, Block A, 257 Brooklyn Road, Brooklyn, Pretoria in order to consider and approve the ordinary resolutions proposed in the Notice of General Meeting.

5.2. The Notice of General Meeting and the Form of Proxy (*grey*) for use by Certificated Shareholders and Dematerialised Shareholders with Own-name Registration who are unable to attend the General Meeting and who wish to be represented thereat is attached to and forms part of this Circular.

5.3. Full details of the action required by Certificated Shareholders and Dematerialised Shareholders are set out on page 2 of this Circular.

6. EXPERTS' CONSENTS

The Sponsor and each of the experts, whose names appear in the "Corporate Information" section of this Circular, have given and have not, prior to the formal approval of this Circular by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated, being included in this Circular.

7. RESPONSIBILITY STATEMENT

The Directors, whose names are set out in the "Corporate Information" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular which relates to CSG and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of CSG and at the Stellenbosch and Johannesburg offices of PSG Capital at the addresses referred to in the "Corporate Information" section of this Circular, during normal office hours from the date of issue of this Circular until the date of the General Meeting:

- 8.1. the Trust Deed;
- 8.2. the Bonus Share Plan Rules;
- 8.3. written consent letters by experts and advisers, as referred to in paragraph 6 above; and
- 8.4. a copy of this Circular.

SIGNED AT CAPE TOWN ON FRIDAY, 25 OCTOBER 2019 BY PETRUS JOHANNES JACOBUS DRY ON BEHALF OF ALL THE DIRECTORS OF CSG, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS

Petrus Johannes Jacobus Dry

Chief executive officer

Directors

Bulelani Thandabantu Ngcuka* (*Chairman*)

Petrus Johannes Jacobus Dry (*Chief executive officer*)

Jacobus Gerrit Nieuwoudt (*Chief operating officer*)

William Edward Scott (*Chief financial officer*)

Mathukana Mokoka** (*Lead independent Director*)

Renganayagee Kisten**

Nona Ndiliseka Sonjani**

Nathan-Lee Ramages*

* *Non-executive*

Independent



CSG HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/011359/06)
Share Code: CSG
ISIN ZAE000184438
("CSG")

NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting is attached, shall bear the same meanings where used in this Notice of General Meeting.

NOTICE IS HEREBY GIVEN that a general meeting of Shareholders will be held at 10:00 on Friday, 22 November 2019 at CSG's offices, Equity Park, Block A, 257 Brooklyn Road, Brooklyn, Pretoria, to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

1. ORDINARY RESOLUTION NUMBER 1 – ADOPTION OF THE BONUS SHARE PLAN

"RESOLVED AS AN ORDINARY RESOLUTION that the Bonus Share Plan, the details of which are included in the Circular to which this Notice of General Meeting is attached and a copy of which has been signed by the chairman for identification purposes and tabled at the General Meeting convened to consider same, amongst other things, be and is hereby adopted, which Bonus Share Plan hereby replaces the Existing CSG Share Incentive Scheme in its entirety."

Reason and effect of Ordinary Resolution Number 1

The reason for Ordinary Resolution Number 1 is to obtain the authority of Shareholders for CSG to adopt the Bonus Share Plan. The effect of Ordinary Resolution Number 1 is that the Bonus Share Plan will have been adopted by CSG and the Existing CSG Share Incentive Scheme will be replaced.

Percentage of voting rights required

In terms of the Listings Requirements, in order for Ordinary Resolution Number 1 to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on the ordinary resolution.

2. ORDINARY RESOLUTION NUMBER 2 – DIRECTORS' AUTHORITY

"RESOLVED AS AN ORDINARY RESOLUTION that, any Director of CSG, be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to give effect to the resolutions set out in this Notice of General Meeting and anything already done in this respect be and is hereby ratified."

Reason and effect of Ordinary Resolution Number 2

The reason for and effect of Ordinary Resolution Number 2 is to authorise each Director of CSG to do all such things and sign all such documents as are deemed necessary or desirable to implement the resolutions set out in the Notice of General Meeting.

Percentage of voting rights required

In order for Ordinary Resolution Number 2 to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the ordinary resolution.

VOTING AND PROXIES

The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this Notice of General Meeting, is Friday, 18 October 2019.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 15 November 2019, with the last day to trade being Tuesday, 12 November 2019.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder. A Form of Proxy (grey), which sets out the relevant instructions for its completion, is enclosed for use by Certificated Shareholders or Own-name Registered Dematerialised Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (grey) will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must be lodged with, posted to or e-mailed to the Transfer Secretaries or the Company Secretary, at the addresses given below, to be received by them, for administrative purposes, by not later than 10:00 on Wednesday, 20 November 2019 or thereafter handed to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who wish to attend the General Meeting in person, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the Custody Agreement entered into between such Shareholders and the CSDP or Broker.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the Custody Agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of telephone conference call and if they wish to do so:

- must contact the Company Secretary (by email at mark@hnlaw.co.za) by no later than 16:00 on Wednesday, 20 November 2019, in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their own telephone service providers for their own telephone calls to participate in the General Meeting;
- Shareholders and their proxies will not be able to vote telephonically at the General Meeting and will still need to appoint a proxy or representative to vote on their behalf at the General Meeting.

Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each Share held.

By order of the Board

Petrus Johannes Jacobus Dry

Chief executive officer

25 October 2019

Company Secretary

Mark Nico Hattingh
6 Topaz Avenue
Lyttelton Manor Ext 3
Centurion 0157
(Postal address as above)

Transfer Secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braaimfontein 2001
(PO Box 4844, Johannesburg 2000)



CSG HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/011359/06)
Share Code: CSG
ISIN ZAE000184438
("CSG")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME REGISTERED DEMATERIALISED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Notice of General Meeting is attached, shall bear the same meanings when used in this Form of Proxy.

For use only by Shareholders holding Certificated Shares, nominee companies of CSDPs, Brokers' nominee companies and Own-name Registered Dematerialised Shareholders at the General Meeting to be held at 10:00 on Friday, 22 November 2019 at CSG's offices, Equity Park, Block A, 257 Brooklyn Road, Brooklyn, Pretoria.

Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders must not complete this Form of Proxy and must provide their CSDP or Broker with their voting instructions, except for Own-name Registered Dematerialised Shareholders recorded in the sub-register through a CSDP or Broker, which Shareholders must complete this Form of Proxy and lodge it with their CSDP or Broker in terms of the Custody Agreement entered into between them and their CSDP or Broker. Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders wishing to attend the General Meeting must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

I/We

(full name in print)

of (address)

Telephone: (work) area code ()

Telephone: (home) area code ()

Cellphone number

Email address

being the holder/custodian of

Shares in CSG, hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	Number of Shares		
	In favour of	Against	Abstain
Ordinary Resolution Number 1 – Adoption of the Bonus Share Plan			
Ordinary Resolution Number 2 – Directors' Authority			

Please indicate your voting instruction by way of inserting the number of Shares or by a cross in the space provided should you wish all your Shares to be voted.

Signed at _____ on this _____ day of _____ 2019

Signature(s)

Assisted by (where applicable) (state capacity and full name)

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be Shareholder(s) of CSG) to attend, speak and vote in his/her stead at the General Meeting.

Please read the notes on the reverse side hereof.

Notes:

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered Shareholder of CSG.
2. Every Shareholder present in person or by proxy and entitled to vote at the General Meeting shall, on a show of hands, have one vote only, irrespective of the number of Shares such Shareholder holds. In the event of a poll, every Shareholder shall be entitled to that proportion of the total votes in CSG which the aggregate amount of the nominal value of the Shares held by such Shareholder bears to the aggregate amount of the nominal value of all the Shares issued by CSG.
3. Shareholders who have Dematerialised their Shares with a CSDP or Broker, other than Own-name Registered Dematerialised Shareholders, must arrange with the CSDP or Broker concerned to provide them with the necessary authorisation to attend the General Meeting or the Shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the CSDP or Broker concerned.

Instructions on signing and lodging the Form of Proxy:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that Shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries or Company Secretary.
4. To be valid, the completed Form of Proxy must be lodged with, posted to or e-mailed to the Company Secretary or the Transfer Secretaries, at the addresses set out below, to be received by them, for administrative purposes, by no later than Wednesday, 20 November 2019, at 10:00 or thereafter by handing such form to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Company Secretary

Mark Nico Hattingh
6 Topaz Avenue
Lyttelton Manor Ext 3
Centurion 0157
(Postal address as above)

Transfer Secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein 2001
(PO Box 4844, Johannesburg 2000)

5. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.
6. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
7. The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to CSG.
8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.
9. The chairperson of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.

