

Pan African Resources PLC  
(Incorporated and registered in England and Wales  
under the Companies Act 1985 with registered  
number 3937466 on 25 February 2000)  
Share code on LSE: PAF  
Share code on JSE: PAN  
ISIN: GB0004300496  
ADR ticker code: PAFRY  
(‘Pan African’ or the ‘Company’ or the ‘Group’)

Pan African Resources Funding Company  
Limited  
Incorporated in the Republic of South Africa  
with limited liability  
Registration number: 2012/021237/06  
Alpha code: PARI

### **Notice of annual general meeting**

Notice is hereby given that the 2025 annual general meeting (AGM) of Pan African will be held at the offices of St James’s Corporate Services Limited, 107 Cheapside, Second Floor, London EC2V 6DN on Thursday, 20 November 2025 at 11:00 (all references to time in this notice is United Kingdom time (GMT+00.00), unless otherwise stated).

Shareholders are advised that a document (the “AGM Document”), which includes the notice of AGM and the summarised annual financial statements for the year ended 30 June 2025, will be distributed to shareholders later today (being Tuesday, 28 October 2025).

The AGM Document provides information in respect of a capital reduction to address the payment of certain past distributions by the Company by way of dividends, and in respect of certain share buy backs as well as the related party transactions entered into in order to rectify the situation.

Shareholders are advised that the Company’s Integrated Annual Report, audited annual financial statements for the year ended 30 June 2025 and the AGM Document are available at:

<https://www.panafricanresources.com/investors/financial-reports/> and  
<https://www.panafricanresources.com/investors/shareholder-announcements/>

### **Background to and reasons for the Capital Reduction**

The Company has become aware that the final dividend paid by the Company on 10 December 2024 (the “2024 Dividend”) and the buy back by the Company of Ordinary Shares (which were carried out by Peel Hunt LLP (“Peel Hunt”) on behalf of the Company) in July 2025 (the “2025 Buybacks”) were otherwise than in accordance with the Companies Act 2006 (the “Act”). In relation to both the 2024 Dividend and the 2025 Buybacks, the interim accounts that were prepared as at 31 July 2024 for the purposes of section 838 of the Act (the “2024 Interim Accounts”) (which demonstrated that the Company had sufficient distributable reserves to pay the 2024 Dividend and make the 2025 Buybacks) were posted to the Registrar of Companies in accordance with the requirements of the Act, but not received by the Registrar of Companies. The fact that the Registrar of Companies did not receive the 2024 Interim Accounts constitutes a procedural breach of the Act.

Further details about the requirements of the Act for the payment of dividends and the acquisition of its own shares by a company are set out in the chairman’s letter which is set out in the AGM Document (the “Chairman’s Letter”) and which has been set out in the full at the end of this announcement. The defined terms used in the Chairman’s Letter shall have the same meaning as set out in the AGM Document.

The consequence of payment of the 2024 Dividend and the payment made in respect of the 2025 Buybacks (together the “Relevant Distributions”) being made otherwise than in accordance with the Act is that the Company may have a claim against all shareholders (former or present) who received any such distribution (up to the maximum value of cumulative distributions received by each

shareholder from the Relevant Distributions) as well as a claim against all Directors (individually or in aggregate) who approved the making of the Relevant Distributions, up to the total aggregate value of approximately US\$28.249 million in respect of the 2024 Dividend and £958,169 in respect of the 2025 Buybacks.

### **Capital Reduction**

As a result of the Company's stated desire to continue with its existing progressive dividend policy, and in order to rectify the Relevant Distributions made otherwise than in accordance with the Act, the Company must undertake the proposed cancellation of the full amount standing to the credit of the Company's share premium account and the cancellation and extinguishing of the shares that were the subject of the 2025 Buybacks (together the "Capital Reduction") to provide it with the necessary distributable reserves. Three resolutions (together the "Relevant Resolutions") will be proposed at the AGM in order to implement the Capital Reduction. Further details of the Relevant Resolutions are set out in the Chairman's Letter.

In addition to the approval by Shareholders of the cancellation of the share premium account, the reduction of capital requires the approval of the Court. Accordingly, following the Annual General Meeting, an application will be made to the Court in order to confirm and approve the reduction of capital.

It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on Friday, 19 December 2025, with the final Court Hearing taking place on Tuesday, 20 January 2026 and the Capital Reduction becoming effective on the following day, following the necessary registration of the Court Order at Companies House.

There will be no change in the number of Ordinary Shares in issue (or their nominal value) following the implementation of the Capital Reduction and no new share certificates will be issued as a result of the Capital Reduction. The Capital Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. The distributable reserves arising on the Capital Reduction will, subject to the discharge of any undertakings required by the Court as explained above, support the Company's ability to pay dividends should circumstances in the future make it desirable to do so and the appropriation of profits to ratify relevant accounting entries.

### **Deeds of Release**

Earlier today the Company entered into the following deeds of release, each of which is conditional upon the Capital Reduction becoming effective and the passing of all the Relevant Resolutions:

- a deed of release in favour of shareholders of the Company in receipt of the of Relevant Distributions, in which the Company waived any and all claims which the Company has, or may have, in respect of the payment of the Relevant Distributions against its shareholders and former shareholders who appeared on the register of members on the relevant record dates of each such respective Relevant Distributions or their respective successors in title (the "Recipient Shareholders");
- a deed of release with Peel Hunt in which the Company waived and released Peel Hunt from any and all claims which the Company has, or may have, in respect of the 2025 Buybacks and Peel Hunt waived and released the Company from any and all claims which Peel Hunt has, or may have, in respect of the 2025 Buybacks; and
- seven deeds of release (i.e. a separate deed with each Director and together the "Directors' Deeds of Release") in which the Company waived any and all claims which the Company has, or may have, against the relevant Director or their successors in title at the time of the

declaration and/or payment of each respective Relevant Distributions.

The consequence of the entry into these deeds by the Company is that the Company will be unable to make any claims against: (a) the Recipient Shareholders; (b) Peel Hunt; and (c) the Directors, in each case in respect of the Relevant Distributions.

### **Related Party Transaction**

The entry by the Company earlier today into the Directors' Deeds of Release and consequential waiver of any rights of the Company to make claims against directors in respect of the Relevant Distributions, constitutes a related party transaction pursuant to Rule 8 of the rules published by the FCA and contained in the UK Listing Rules Sourcebook as part of the FCA Handbook, as amended from time to time (the "UKLR") as each of the Directors is a related party for the purposes of the UKLR.

Accordingly, as required by UK Listing Rule 8.2.1R, the Board is required to obtain an opinion from a sponsor that the entry by the Company into each of the Directors' Deeds of Release is fair and reasonable so far as the shareholders of the Company are concerned (together the "Related Party Transaction"). The Board, having been so advised by Peel Hunt acting in its capacity as the Company's sponsor, unanimously considers the Related Party Transaction is fair and reasonable as far as the Company's shareholders are concerned.

In addition, the Relevant Resolutions will be approved by the Shareholders who are not interested related parties in respect of the Directors' Deeds of Release. Accordingly, the Directors have each undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on the Relevant Resolutions.

The JSE has resolved not to impose any further JSE Listings Requirements, subject to the Directors not voting on the shareholders' resolution as it relates to the waiver of claims for directors.

### **Salient dates relevant to the AGM**

	<b>2025</b>
Record date for receipt of this document	Wednesday, 22 October
Publication of the AGM Document	Tuesday, 28 October
Last day to trade on the JSE in order to vote at the Annual General Meeting	Tuesday, 11 November
Last day to trade on the LSE in order to vote at the Annual General Meeting	Wednesday, 12 November
Record date for purposes of voting at the Annual General Meeting	Friday, 14 November
Latest time and date for receipt of Forms of Proxy for the Annual General Meeting	11.00 (London time) a.m. on Tuesday, 18 November
Annual General Meeting	11.00 (London time) a.m. on Thursday, 20 November
Expected date of initial directions hearing of the Court	Friday, 19 December
	<b>2026</b>
Expected date of Court Hearing to confirm the Capital Reduction	Tuesday, 20 January
Expected effective date for the Capital Reduction	Wednesday, 21 January

### **Notes**

1. The expected dates for the confirmation of the Capital Reduction by the Court and the Capital Reduction becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change and dependent on the Court's timetable.

2. The timetable assumes that there is no adjournment of the Annual General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.
3. References in this document are to London times unless otherwise stated.

Should you wish to attend the 2025 AGM please advise by e-mail to our Company Secretary - [jane.kirton@corpserv.co.uk](mailto:jane.kirton@corpserv.co.uk) Please note that any shareholder who has not advised attendance will still be admitted to the AGM, however, pre-registration will ensure smooth access to the venue.

For further information on Pan African, please visit the Company's website at

[www.panafricanresources.com](http://www.panafricanresources.com)

Rosebank  
28 October 2025

<b>Corporate information</b>	
<p><b>Corporate Office</b> The Firs Building 2nd Floor, Office 204 Corner Cradock and Biermann Avenues Rosebank, Johannesburg South Africa Office: + 27 (0)11 243 2900 <a href="mailto:info@paf.co.za">info@paf.co.za</a></p>	<p><b>Registered Office</b> 107 Cheapside, 2<sup>nd</sup> Floor London, EC2V 6DN United Kingdom Office: + 44 (0)20 3869 0706 <a href="mailto:jane.kirton@corpserv.co.uk">jane.kirton@corpserv.co.uk</a></p>
<p><b>Chief Executive Officer</b> Cobus Loots Office: + 27 (0)11 243 2900</p>	<p><b>Financial Director and debt officer</b> Marileen Kok Office: + 27 (0)11 243 2900</p>
<p><b>Head: Investor Relations</b> Hethen Hira Tel: + 27 (0)11 243 2900 E-mail: <a href="mailto:hhira@paf.co.za">hhira@paf.co.za</a></p>	<p>Website: <a href="http://www.panafricanresources.com">www.panafricanresources.com</a></p>
<p><b>Company Secretary</b> Jane Kirton <b>St James's Corporate Services Limited</b> Office: + 44 (0)20 3869 0706</p>	<p><b>Joint Broker</b> Ross Allister/Georgia Langoulant <b>Peel Hunt LLP</b> Office: +44 (0)20 7418 8900</p>
<p><b>JSE Sponsor &amp; JSE Debt Sponsor</b> Ciska Kloppers <b>Questco Corporate Advisory Proprietary Limited</b> Office: + 27 (0) 63 482 3802</p>	<p><b>Joint Broker</b> Thomas Rider/Nick Macann <b>BMO Capital Markets Limited</b> Office: +44 (0)20 7236 1010</p>
	<p><b>Joint Broker</b> Matthew Armitt/Jennifer Lee <b>Joh. Berenberg, Gossler &amp; Co KG (Berenberg)</b> Office: +44 (0)20 3207 7800</p>

# LETTER FROM THE CHAIRMAN OF THE COMPANY

## PAN AFRICAN RESOURCES PLC

(incorporated and registered in England and Wales under company registration number 03937466)

### Directors:

Keith Spencer (Non-executive Chairman)\*  
Cobus Loots (Chief Executive Officer)  
Marileen Kok (Chief Financial Officer)  
Dawn Earp (Non-executive Director)\*  
Thabo Mosololi (Non-executive Director)\*  
Charles Needham (Non-executive Director)\*  
Yvonne Themba (Non-executive Director)\*  
\* Independent

### Registered office:

107 Cheapside  
Second Floor  
London  
EC2V 6DN

28 October 2025

To Shareholders and, for information only, to option-holders of Pan African Resources PLC

Dear Shareholder,

**NOTICE OF ANNUAL GENERAL MEETING  
and  
PROPOSED CAPITAL REDUCTION  
and  
PROPOSED RECTIFICATION OF RELEVANT DISTRIBUTIONS  
and  
PROPOSED RELATED PARTY TRANSACTIONS**

### 1. Introduction

The Company has discovered that the final dividend paid by the Company on 10 December 2024 and the buy back by the Company of Ordinary Shares in July 2025 were otherwise than in accordance with the strict formalities of the Companies Act 2006. In relation to both cases, the 2024 Interim Accounts (which demonstrated that the Company had sufficient distributable reserves to pay the 2024 Dividend and make the 2025 Buybacks) were posted to the Registrar of Companies in accordance with the requirements of the Act, but not received by the Registrar of Companies. The fact that the Registrar of Companies did not receive the 2024 Interim Accounts constitutes a procedural breach of the Act.

This document also provides the details of the 2025 Annual General Meeting that will be held at the offices of St James's Corporate Services Limited, 107 Cheapside, Second Floor, London EC2V 6DN on Thursday, 20 November 2025 at 11:00 a.m. (London time) to consider the resolutions (including the Relevant Resolutions) that will be put to Shareholders for approval.

The purpose of this document is to provide you with information about the Annual General Meeting and the Capital Reduction, the proposed rectification of Relevant Distributions and the related party transactions and to explain why the Board considers the Relevant Resolutions to be in the best interests of the Company and its Shareholders as a whole and unanimously recommends that you vote in favour of the Relevant Resolutions to be proposed at the Annual General Meeting.

The entry by the Company into the Directors' Deeds of Release will be a related party transaction for the purposes of UKLR 8.1.7R. Shareholders are directed to paragraph 7 below for further information about the related party transactions. The JSE has resolved not to impose any further JSE Listings Requirements, subject to the Directors not voting on the shareholders' resolution as it relates to the waiver of claims for directors.

Shareholders should note that, unless the Resolutions are approved at the Annual General Meeting and the Court subsequently confirms the Capital Reduction:

- A) the Capital Reduction will not take effect; and
- B) the declaration and making of distributions otherwise than in accordance with the Act will not be rectified.

**If the Relevant Resolutions are not all approved, then the Company will retain a potential right to make claims against the Recipient Shareholders for recovery of the payment of the Relevant Distributions. There is no certainty that judgment would be successfully obtained by the Company against the Recipient Shareholders or that any amount could be recovered if the Company sought to pursue these potential claims.**

**If the Relevant Resolutions are not all approved, then the Company has a potential right to bring claims against the Directors in relation to the payment of the Relevant Distributions. There is no certainty that judgment would be successfully obtained by the Company against the Directors or that any amount could be recovered if the Company sought to pursue these potential claims.**

Part II of this document contains definitions of words and terms that have been used throughout it. Please refer to Part II as you review this document.

## **2. Background to, and reasons for, the Capital Reduction**

The Act requires that a company must have distributable profits in order to be able to declare and pay a dividend. A company's distributable profits are determined by reference to its most recent audited accounts. Where a company's most recent audited accounts do not show that the company has sufficient distributable profits to justify the payment of a dividend then that company may justify the payment of a dividend by reference to accounts (referred to as "interim accounts") prepared in accordance with section 838 of the Act. In the case of a public limited company, those interim accounts must be delivered to the Registrar of Companies.

The Board was aware that the Company would not have sufficient distributable profits as at 30 June 2024 to pay a dividend because the share capital reduction that the Company undertook in 2024 was not going to become effective until July 2024. Accordingly, the Company prepared interim accounts as at 31 July 2024 for the purposes of section 838 of the Act (the "**2024 Interim Accounts**") and the 2024 Interim Accounts were posted to the Registrar of Companies.

On 10 December 2024 the Company paid a final dividend (the "**2024 Dividend**") of ZA 22.00000 cents per Ordinary Share (or approximately US1.20946 cents per Ordinary Share (using an exchange rate of US\$1 = ZAR 18.19) or approximately 0.95611 pence per share (using an exchange rate of £1 = ZAR 23.01). The 2024 Dividend amounted in approximately US\$28.249 million in aggregate.

In July 2025 the Company acquired a total of 2,003,735 Ordinary Shares (the "**2025 Buybacks**") for a total consideration of £958,169. The 2025 Buybacks comprised the acquisition by the Company of 420,317 Ordinary Shares on 1 July 2025; 400,000 Ordinary Shares on 2 July 2025; 450,002 Ordinary Shares on 3 July 2025; 150,000 Ordinary Shares on 7 July 2025; and 583,416 Ordinary Shares on 9 July 2025.

A company may only acquire its own shares when the purchase price for such acquisition is paid out of profits available for distribution (as determined in accordance with the Act) or out of the proceeds of a fresh issue of shares for that purpose. The determination of the level of distributable profits for the purchase of an own share acquisition engages the same principles as dividends.

It has come to the attention of the Company that, although the 2024 Interim Accounts were posted to the Registrar of Companies, the 2024 Interim Accounts were not received by the Registrar of Companies. The fact that the Registrar of Companies did not receive the 2024 Interim Accounts constitutes a procedural breach of the Act.

Under the Act, a company may, with the sanction of a special resolution passed by its shareholders and confirmation of the Court, reduce or cancel its share capital, share premium account, and other reserves. It may then apply the sums resulting from such reduction to its distributable reserves. These sums may then be treated as distributable for the purposes of making future returns to Shareholders.

The Company has at 30 June 2025, a Share Premium Account standing to the credit of US\$10,877,178, all of which arose on the issue of Ordinary Shares as part of the consideration for the completion of the acquisition by the Group of the entire issued share capital of Tennant Consolidated Mining Group Pty Ltd.

The Act requires that if a company issues shares at a premium to the nominal value of those shares for cash or otherwise, a sum equal to the aggregate amount or value of the premiums must be transferred to the company's share premium account. A share premium account can only be used in very limited circumstances. The Company intends to reduce the Share Premium Account in full.

The Share Premium Account is a statutory reserve in respect of which the Court has the power to confirm the reduction or cancellation.

Similarly, the Court has power to confirm the extinction and cancellation of the shares that were the subject of the 2025 Buybacks. If the shares that were the subject of the 2025 Buybacks had been acquired in accordance with the Act, the shares would have been cancelled and the nominal value of the shares so cancelled transferred to the credit of the Company's capital redemption reserve.

Both the cancellation of the Share Premium Account and the extinction and cancellation of the shares that were the subject of the 2025 Buybacks will comprise the "Capital Reduction" that shareholders will be asked to approve and the Court asked to confirm.

The Capital Reduction, if approved, will provide the Company with the flexibility to continue with its existing progressive dividend policy and will allow the rectification of the Relevant Distributions which have been paid otherwise than in accordance with the Act as described in paragraph 2 above.

### **3. Payment of Relevant Distributions**

The consequence of the Relevant Distributions being made otherwise than in accordance with the Act is that the Company may have a claim against all shareholders (former or present) who received any such distribution (up to the maximum value of cumulative distributions received by each shareholder from the Relevant Distributions) as well as a claim against all Directors (individually or in aggregate) who approved the making of the Relevant Distributions, up to the total aggregate value of approximately US\$28.249 million in respect of the 2024 Dividend and £958,169 in respect of the 2025 Buybacks.

The Company has entered into the Shareholders' Deed of Release and seven Directors' Deeds of Release (i.e. a separate deed with each Director). The consequence of the entry into these deeds by the Company is that the Company will be unable to make any claims against: (a) the Recipient Shareholders; and (b) the Directors, in each case in respect of the Relevant Distributions.

In addition, the Company has entered into the Peel Hunt Deed of Release with Peel Hunt. Under the Peel Hunt Deed of Release, which is conditional upon the Capital Reduction becoming effective and the passing of the Relevant Resolutions, the Company waived and released Peel Hunt from any and all claims which the Company has, or may have, in respect of the 2025 Buybacks and Peel Hunt waived and released the Company from any and all claims which Peel Hunt has, or may have, in respect of the 2025 Buybacks.

**The entry by the Company into the Directors' Deeds of Release constituted a related party transaction (as defined in the UKLR). This is because each of the Directors is deemed to be a related party under the UKLR and they will be released from any liability to repay any amounts of the Relevant Distributions pursuant to the Directors' Deeds of Release (as applicable).** Paragraph (v) of the Consequential and Releasing Resolution will seek the specific approval of the Company's shareholders for the entry into the Directors' Deed of Release.

### **4. The Capital Reduction**

As a result of the Company's stated desire to continue with its existing progressive dividend policy, and in order to rectify the Relevant Distributions made otherwise than in accordance with the Act, the Company must undertake the Capital Reduction to provide it with the necessary distributable reserves. In addition to the approval by Shareholders of the cancellation of the share premium account, the reduction of capital requires the approval of the Court. Accordingly, following the Annual General Meeting, an application will be made to the Court in order to confirm and approve the reduction of capital.

In providing its approval of the Capital Reduction, the Court may require measures to be put in place for the protection of creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors who have consented to the Capital Reduction. Shareholders should note that (although the Group has debt and creditors) the Company itself (which will be the entity considered by the Court) has no senior debt and only minor creditors for service providers to the Company are expected. Such creditor protection measures may include

seeking the consent of the Company's creditors to the Capital Reduction or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company or an undertaking to treat as undistributable for the time being certain sums representing the realisation of "hidden value" in the balance sheet as at the Effective Date.

It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on Friday, 19 December 2025, with the final Court Hearing taking place on Tuesday, 20 January 2026 and the Capital Reduction becoming effective on the following day, following the necessary registration of the Court Order at Companies House.

There will be no change in the number of Ordinary Shares in issue (or their nominal value) following the implementation of the Capital Reduction and no new share certificates will be issued as a result of the Capital Reduction. The Capital Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. The distributable reserves arising on the Capital Reduction will, subject to the discharge of any undertakings required by the Court as explained above, support the Company's ability to pay dividends should circumstances in the future make it desirable to do so and the appropriation of profits to ratify relevant accounting entries.

Shareholders should note that if, for any reason, the Court declines to approve the Capital Reduction, the Capital Reduction will not take place. The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or its Shareholders as a whole. The Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that there is no real likelihood that any creditor of the Company would be prejudiced by the Capital Reduction.

## **5. Annual General Meeting and the Relevant Resolutions**

The Notice of Annual General Meeting is set out in Part IV of this document.

The Annual General Meeting will take place at the offices of St James's Corporate Services Limited, 107 Cheapside, Second Floor, London EC2V 6DN at 11.00 a.m. (London time) on Thursday, 20 November 2025. At the Annual General Meeting, the three Relevant Resolutions will (in addition to the 18 other resolutions) be proposed to Shareholders. All the Relevant Resolutions will be proposed as special resolutions.

The first Relevant Resolution (the "Dividend Approval Resolution") will be to approve the appropriation to the year ended 30 June 2024 of the distributable profits of the Company as at 31 July 2024 (as shown in the 2024 Interim Accounts) in respect of the payment of the 2024 Dividend.

The second Relevant Resolution (the "Reduction Approval Resolution") will have two limbs to it, both of which are subject to confirmation of the Court (with such confirmation being at the Court's discretion) and are summarised below:

- the first limb is to approve the cancellation of the Company's share premium account (the "Capital Reduction"); and
- the second limb, is to reduce the share capital of the Company by cancelling and extinguishing the 2,003,735 Ordinary Shares repurchased for and on behalf of the Company between 1 and 9 July 2025 (the "Cancellation Shares"), for a total consideration of £958,169.

The third Relevant Resolution (the "Consequential and Releasing Resolution") will have five limbs to it, each of which are subject to the passing of the Reduction Approval Resolution and the confirmation of the Court (with such confirmation being at the Court's discretion) and are summarised below:

- the first limb is confirm that, so far as possible, any amount released by such reductions of capital be credited to the distributable profits of the Company and all necessary sums thereafter be attributed from such distributable profits to the payment of the 2024 Dividend and to the payment of the purchase proceeds paid in respect of the 2025 Buybacks;
- the second limb is to confirmed that the amount equivalent to the nominal value of the Cancellation Shares purportedly purchased pursuant to the 2025 Buybacks from the

Company's share capital be transferred to the credit of the Company's capital redemption reserve;

- the third limb is to approve the release and waiver of all claims which the Company may have in respect of the Relevant Distributions against previous and current shareholders and their successors in title and to ratify and authorise the Company's entry on 28 October 2025 into a deed of release in respect of such matters;
- the fourth limb is to approve the release and waiver by the Company of any claims which it has or may have against Peel Hunt in respect of the 2025 Buybacks (and the reciprocal release and waiver by Peel Hunt of any claims which Peel Hunt has or may have against the Company) in respect of the 2025 Buybacks and to ratify and authorise the Company's entry on 28 October 2025 into a deed of release in respect of such matters; and
- the fifth limb is to approve the release and waiver of all claims which the Company may have in respect of the Relevant Distributions against the directors (and their personal representatives and successors in title) at the time of declaration and payment of each of the Relevant Distributions and to ratify and authorise the Company's entry on 28 October 2025 into separate deeds of release with each of the Directors in respect of such matters.

The Relevant Resolutions (being special resolutions) will be passed if 75% or more of the votes cast (in person or by proxy) at the Annual General Meeting are in favour of the Relevant Resolutions.

## **6. The effect of the Relevant Resolutions and the Capital Reduction**

The Company has been advised that the approach the Company is proposing by way of the Relevant Resolutions is consistent with the approach taken by other UK incorporated publicly quoted companies which have made distributions otherwise than in accordance with the Act and which have made share buy backs which may not have been in accordance with the Act.

The Relevant Resolutions, the full text of which are set out in the Notice of Annual General Meeting, are to be proposed as special resolutions and, if passed, will, in conjunction with the relevant deeds of release, put all potentially affected parties in the position, so far as possible, in which they were always intended to be had the 2024 Dividend been made in accordance with all of the procedural requirements of the Act and as if the 2025 Buybacks had been made in accordance with all of the procedural requirements of the Act.

The proposed authorisation of the appropriation of the Company's distributable profits to the payment of the Relevant Distributions and the entry by the Company into the Shareholders' Deed of Release, will not have any effect on the Company's financial position. This is because the aggregate amount of the Relevant Distributions is equal to, and offset by, the release of each Recipient Shareholder from their liability to repay the amount already paid to them in respect of their respective Relevant Distributions, and the Company will not be required to make any further payments to shareholders in respect of the Relevant Distributions.

The entry by the Company into the Directors' Deeds of Release does not have any impact on the Company's financial position as the Company has not recorded or disclosed its right to potentially make claims against the Directors in respect of the Relevant Distributions as an asset or contingent asset of the Company.

## **7. Related Party Transactions with the Directors**

The entry by the Company on 28 October 2025 into the Directors' Deeds of Release and consequential waiver of any rights of the Company to make claims against directors in respect of the Relevant Distributions, constitutes a related party transaction pursuant to Rule 8 of the UKLR as each of the Directors is a related party for the purposes of the UKLR. The Directors confirm that in relation to the seven Directors' Deeds of Release that, having consulted with Peel Hunt in its capacity as sponsor of the Company, they consider (with each director abstaining from the voting on Directors' Deed of Release that relates to him or her) that the execution by the Company of such Directors' Deed of Release is fair and reasonable as far as the Company and the Shareholders are concerned.

In addition, the Relevant Resolutions will be approved by the Shareholders who are not interested related parties in respect of the Directors' Deeds of Release. Accordingly, the Directors have each

undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on the Relevant Resolutions.

## **8. Taxation position of UK shareholders**

The following comments are intended as a general guide only and relate only to certain UK tax consequences of the Reduction of Capital. The comments are based on current legislation and HM Revenue & Customs published practice, both of which are subject to change, possibly with retrospective effect. These comments deal only with Shareholders who are resident for taxation purposes in the UK, who are the absolute beneficial owners of the Ordinary Shares and who hold them as an investment and not in a trading account (“**UK Shareholders**”). They do not deal with the position of certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes or persons regarded as having obtained their Ordinary Shares by reason of employment.

**Any Shareholder who has any doubt about their own taxation position, or who is subject to taxation in any jurisdiction other than the UK should consult their own professional taxation advisor immediately.**

### *The Capital Reduction*

The Capital Reduction should not have any consequences for UK Shareholders for the purposes of UK taxation of chargeable gains (“**CGT**”), UK income tax or UK corporation tax.

### *UK stamp duty and stamp duty reserve tax*

No stamp duty or stamp duty reserve tax will be payable on the Reduction of Capital.

## **9. Action to be taken in respect of the Annual General Meeting**

Shareholders can appoint a proxy electronically using the link [www.signalshares.com](http://www.signalshares.com) – Details of how to appoint a proxy in this way are set out on pages 115 to 116 of this document. Details of how to complete, or request an additional, hard copy Form of Proxy are set out on pages 119 to 121 of this document. To be valid, a Form of Proxy must be returned as soon as possible and so as to be received by the Registrars by not later than 11.00 a.m. (London time) on Tuesday, 18 November.

The completion and return of the Form of Proxy will not prevent you from attending and voting at the Annual General Meeting in person.

In accordance with current best practice and to ensure voting accurately reflects the views of Shareholders, it will be proposed at the Annual General Meeting that voting on the Relevant Resolutions will be conducted by poll vote rather than by a show of hands and the relevant procedures will be explained at the Annual General Meeting.

**If the Relevant Resolutions are not all passed, the Company may continue to have claims against the Directors and Recipient Shareholders.**

## **10. Questions**

If you wish to ask a question relating to the business of the Annual General Meeting in advance, please submit your questions to [info@paf.co.za](mailto:info@paf.co.za) or [jane.kirton@corpserv.co.uk](mailto:jane.kirton@corpserv.co.uk), please include in your email: the shareholder’s full name, number of shares held and telephone contact details.

## **11. Recommendation**

The Board considers the Relevant Resolutions to be in the best interests of the Company and its Shareholders as a whole and the Board unanimously recommend that you vote in favour of the Relevant Resolutions to be proposed at the Annual General Meeting.

In addition, the Directors have each undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on the Relevant Resolutions. The aggregate shareholdings of the Directors are 9,475,854 Ordinary Shares representing approximately 0.41% of the Ordinary Shares in issue at the date of this document.

Yours faithfully

**Keith Spencer**

Non-executive Chairman