

FIRST MUTUAL

H O L D I N G S L I M I T E D

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

NOTICE TO SHAREHOLDERS

UPDATE ON TRANSACTION TO ACQUIRE NICOZDIAMOND INSURANCE LIMITED

Shareholders are advised that First Mutual Holdings Limited ("FMHL") has received regulatory approval for the acquisition of the entire issued share capital of NicozDiamond Insurance Limited ("NDIL").

The last of the Conditions Precedent having been met, the National Social Security Authority ("NSSA") has transferred to FMHL 300,263,184 (three hundred million two hundred and sixty three thousand one hundred and eighty four) NDIL shares constituting 50.89% of the entire issued shares of NDIL. In consideration for the NDIL stake, FMHL has issued and allotted 59,813,383 (fifty nine million eight hundred and thirteen thousand three hundred and eighty three) FMHL shares to NSSA.

Accordingly, NDIL will become a subsidiary of FMHL.

NSSA is in the process of procuring an additional 177,161,256 (one hundred and seventy seven million one hundred and sixty one thousand two hundred and fifty six) NDIL shares, representing 30.03% shareholding in NDIL, from a third party. Subject to shareholder and regulatory approvals, NSSA has irrevocably undertaken to acquire and sell these shares to FMHL in terms of the Circular to FMHL Shareholders issued on 10 August 2017. FMHL shall issue and allot 35,291,087 FMHL shares in consideration for this stake.

Following the purchase of shares from NSSA, FMHL is required to make an offer to the remaining minority shareholders in NDIL.

As previously communicated, the operations of NDIL and Tristar Insurance Company Limited ("Tristar") will be merged through the acquisition of Tristar by NDIL or through any other appropriate mechanism.

By Order of the Board

First Mutual Holdings Limited