

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, please consult your central securities depository participant ("CSDP"), broker, banker, attorney or other professional advisor immediately.

If you have disposed of all your ordinary shares in Life on or before Friday, 1 December 2017, you should forward this Circular immediately with the enclosed form of election ("Form of Election") to the purchaser to whom, or the CSDP, broker, banker, attorney or agent through whom, you disposed of such shares.



Life Healthcare Group Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2003/002733/06)

JSE share code: LHC

ISIN: ZAE000145892

("Life" or "the Company")

CIRCULAR TO LIFE ORDINARY SHAREHOLDERS ("THIS CIRCULAR")

regarding

THE DISTRIBUTION OF SCRIP DISTRIBUTION SHARES TO ORDINARY SHAREHOLDERS OR AN ELECTION TO RECEIVE A CASH DIVIDEND AS AN ALTERNATIVE TO THE SCRIP DISTRIBUTION

and including

A FORM OF ELECTION (ONLY FOR USE BY CERTIFICATED SHAREHOLDERS ELECTING THE CASH DIVIDEND)

The following information pertains to all of the Company's ordinary Shareholders ("Shareholders").

YOU ARE ENTITLED TO RECEIVE A DISTRIBUTION OF NEW, FULLY-PAID LIFE ORDINARY SHARES OF R0.000001 EACH ("THE SCRIP DISTRIBUTION") IN PROPORTION TO YOUR ORDINARY SHAREHOLDING IN LIFE ON THE RECORD DATE, BEING FRIDAY, 5 JANUARY 2018 ("THE RECORD DATE") AND IN ACCORDANCE WITH THE RATIO SET OUT IN THIS CIRCULAR. NO ACTION IS REQUIRED IF YOU WISH TO RECEIVE THE SCRIP DISTRIBUTION AND YOU ARE NOT REQUIRED TO PAY FOR THE LIFE ORDINARY SHARES TO WHICH YOU ARE ENTITLED IN TERMS THEREOF.

HOWEVER, SHOULD YOU SO ELECT, YOU WILL BE ENTITLED TO RECEIVE A CASH DIVIDEND OF 45 CENTS ("THE CASH DIVIDEND"), INSTEAD OF ALL OR PART OF YOUR ENTITLEMENT TO THE SCRIP DISTRIBUTION.

IF YOU WISH TO RECEIVE THE CASH DIVIDEND IN RESPECT OF ALL OR PART OF YOUR ORDINARY SHAREHOLDING AND

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

FORMS OF ELECTION MUST BE LODGED WITH OR MAILED TO THE TRANSFER SECRETARIES TO BE RECEIVED BY NO LATER THAN 12H00 ON FRIDAY, 5 JANUARY 2018. FORMS OF ELECTION RECEIVED AFTER THIS TIME WILL NOT BE ACCEPTED.

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

SHOULD YOU TAKE NO ACTION, REGARDLESS OF BEING A CERTIFICATED OR DEMATERIALIZED SHAREHOLDER, ON MONDAY, 8 JANUARY 2018 THE SCRIP DISTRIBUTION WILL BE DISTRIBUTED TO YOU, SUBJECT TO AND IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THIS CIRCULAR.

Tuesday, 12 December 2017

Merchant Bank and Sponsor



A division of FirstRand Bank Limited

Traditional values. Innovative ideas.

IMPORTANT DATES AND TIMES

EVENT	2017
Audited financial results of Life for the year ended 30 September 2017 and Scrip Distribution with Cash Dividend alternative released on the Stock Exchange News Service (“SENS”)	Tuesday, 21 November
Audited financial results of Life for the year ended 30 September 2017 and Scrip Distribution with Cash Dividend alternative published in the press	Wednesday, 22 November
Circular and Form of Election posted to Shareholders and posting of circular announced on SENS on	Tuesday, 12 December
Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution, based on the 15-day volume weighted average price ending on Wednesday, 20 December 2017, by 11h00 on	Thursday, 21 December
Announcement published in the press of the ratio applicable to the Scrip Distribution, based on the 15-day volume weighted average price ending on Wednesday, 20 December 2017 on	Friday, 22 December
	2018
Last day to trade in order to be eligible for the Scrip Distribution and the Cash Dividend alternative	Tuesday, 2 January
Ordinary shares trade “ex” the Scrip Distribution and the Cash Dividend alternative on	Wednesday, 3 January
Listing and trading of maximum possible number of ordinary shares on the JSE in terms of the Scrip Distribution from the commencement of business on	Wednesday, 3 January
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the volume weighted average price of an ordinary Life share traded on the JSE on Wednesday, 3 January 2018, discounted by 10%	Thursday, 4 January
Last day to elect to receive the Cash Dividend alternative instead of the Scrip Distribution, Forms of Election to reach the Transfer Secretaries by 12h00 on	Friday, 5 January
Record Date in respect of the Scrip Distribution and the Cash Dividend alternative	Friday, 5 January
Scrip Distribution certificates posted and Cash Dividend payments made, CSDP/ broker accounts credited/updated, as applicable, on	Monday, 8 January
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative released on SENS on	Monday, 8 January
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative published in the press on	Tuesday, 9 January
JSE listing of ordinary shares in respect of the Scrip Distribution adjusted to reflect the actual number of ordinary shares issued in terms of the Scrip Distribution at the commencement of business on or about	Wednesday, 10 January

All times provided in this Circular are South African local times. The above dates and times are subject to change. Any material change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 January 2018 and Friday, 5 January 2018, both days inclusive.



Life Healthcare Group Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number 2003/002733/06)

JSE share code: LHC
ISIN: ZAE000145892
("Life" or "the Company")

Directors

M Brey (*Non-executive Chairman*)
P van der Westhuizen (*Interim Group CEO/CFO*)
P Golesworthy^{^**}
M Jacobs*
JK Netshitenzhe*
M Ngatane*
M Nkeli*
G Solomon*
R Vice*

* *Independent non-executive*

** *Lead Independent non-executive*

[^] *British*

CIRCULAR

1. INTRODUCTION

The audited financial results of Life for the year ended 30 September 2017 were released on the Stock Exchange News Service ("SENS") on Tuesday, 21 November 2017 and published in the press on Wednesday, 22 November 2017. In these results announcements, Life Shareholders were advised that the board of directors of the Company ("Board") had resolved to declare a final distribution of fully-paid Life ordinary shares of R0.000001 each ("the Scrip Distribution") to ordinary Shareholders ("Shareholders") recorded in the register of the Company at the close of business on the Record Date, being Friday, 5 January 2018.

Shareholders will, however, be entitled to elect to receive a cash dividend of 45 cents per ordinary share of R0.000001 each held on the Record Date, being Friday, 5 January 2018, in respect of all or part of their ordinary shareholding, instead of the Scrip Distribution ("the Cash Dividend"). The Cash Dividend will be issued only to those:

- certificated Shareholders whose Forms of Election to receive the Cash Dividend, in respect of all or part of their shareholding, are received by the Transfer Secretaries on or before 12h00 on Friday, 5 January 2018; and
- dematerialised Shareholders who have instructed their CSDP or broker accordingly and in the manner and time stipulated in their agreement with such CSDP or broker.

The terms of the Scrip Distribution are contained in paragraph 3 below.

Shareholders not electing to receive the Cash Dividend in respect of all or part of their ordinary shareholding will, without any action on their part, be entitled to receive the Scrip Distribution in proportion to their ordinary shareholding as at the close of business on the Record Date, being Friday, 5 January 2018 and in accordance with the ratio set out in this Circular.

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

No payment to Shareholders contemplated in this Circular shall carry interest as against the Company. Furthermore, any reference in this Circular to the Cash Dividend payable to or receivable by Shareholders refers to the amount of such dividend, after the deduction of Dividend Withholding Tax, if any, as contemplated in paragraph 3.4 below.

2. RATIONALE

Life's current and forecast solvency and liquidity comfortably allows for the payment of a full cash dividend. The Scrip Distribution with the election to receive the Cash Dividend allows Life to conserve cash to support continued growth, affords Shareholders the opportunity to increase their shareholding in Life and provides flexibility for those Shareholders who would prefer to receive the Cash Dividend. This will also facilitate Life's management of its internal liquidity.

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

3.1 Terms of the Scrip Distribution and the Cash Dividend Alternative

Shareholders will be entitled to receive a final distribution of fully-paid Life ordinary shares of R0.000001 each in respect of all or part of their ordinary shareholding as at the close of business on the Record Date, being Friday, 5 January 2018, in proportion to their ordinary shareholding and to the extent that such Shareholders have not elected to receive the Cash Dividend.

Shareholders will, however, be entitled to elect to receive the Cash Dividend alternative of 45 cents per ordinary share of R0.000001 each held on the Record Date, being Friday, 5 January 2018, in respect of all or part of their ordinary shareholding and instead of the Scrip Distribution.

The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder's ordinary shareholding in Life (at the close of business on the Record Date, being Friday, 5 January 2018) in relation to the ratio that 45 cents multiplied by 1.025 bears to the volume weighted average price ("VWAP") of an ordinary Life share traded on the JSE during the 15-day trading period ending on Wednesday, 20 December 2017, provided that, where the application of this ratio gives rise to a fraction of an ordinary share, the rounding principles described in paragraph 3.2 below will be applied.

The application of the 1.025 factor in the Scrip Distribution pricing mechanism above is intended to incorporate a 2.5% discount on the 15-day VWAP for Shareholders not electing to receive the Cash Dividend Alternative.

Example of Scrip Distribution entitlement:

This example assumes that a Shareholder holds 100 ordinary shares at the close of business on the Record Date, being Friday, 5 January 2018, and does not elect to receive the Cash Dividend alternative for all or part of such ordinary shares, and that the VWAP of Life's ordinary shares traded on the JSE for the 15-day trading period ending Wednesday, 20 December 2017 is 2 514 cents per ordinary share.

New ordinary share entitlement = $\frac{100 \times 45 \text{ cents} \times 1.025}{2\,514 \text{ cents}}$
= 1.83473 Scrip Distribution share per 100 ordinary shares held, subject to the rounding principles described in paragraph 3.2 below. This would result in a shareholder with 100 shares receiving a new ordinary share entitlement of 1 Scrip Distribution share and a cash payment for the fraction, in terms of paragraph 3.2 below.

The Cash Dividend will be paid out of the Company's distributable retained profits while the issue price of the Scrip Distribution (which will equal the VWAP of Life's ordinary shares traded on the JSE for the 15-day trading day period ending on Wednesday, 20 December 2017) will be settled by way of capitalisation of the Company's distributable retained profits. The Scrip Distribution shares will, upon their issue, rank *pari passu* in all respects with the other ordinary Life shares of R0.000001 each then in issue.

The Company's total number of issued ordinary shares of R0.000001 each at the date of this Circular is 1 449 390 130 (the Company holds 10 383 648 ordinary shares in treasury). Life's income tax reference number is 9387/307/15/1.

If all Shareholders were to accept the Scrip Distribution, without electing to receive the Cash Dividend alternative, the number of Scrip Distribution shares issued would amount to 26,592,330, based on the assumed Scrip Distribution ratio in the example above (and ignoring rounding down for fractions on a per Shareholder basis) and the aggregate issue price of R668 531 197 being capitalised out of the Company's distributable retained profits.

If all Shareholders were to elect to receive the Cash Dividend the maximum gross cash dividend payable by the Company would be R652 225 558.50.

3.2 Fractions

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

The applicable cash payment will be determined with reference to the VWAP of an ordinary Life share traded on the JSE on Wednesday, 3 January 2018 (being the day on which an ordinary Life share begins trading "ex" the entitlement to receive the Scrip Distribution or the Cash Dividend alternative), discounted by 10%. For illustrative purposes, this Circular assumes the VWAP of an ordinary Life share traded on the JSE on Wednesday, 28 June 2017 to be 2 514 cents. The basis for the applicable cash payment would therefore be 2 263 cents (2 514 cents discounted by 10%).

The basis for the applicable cash payment will be announced on SENS on Thursday, 4 January 2018, by 11h00.

Example of fractional entitlement:

This example assumes that a Shareholder holds 100 ordinary Life shares of R0.000001 each at the close of business on the Record Date (being Friday, 5 January 2018) and does not elect to receive the Cash Dividend in respect of all or part of their shareholding.

New ordinary share entitlement = $100 \times 1.83473\%$

= 1.83473 new ordinary Scrip Distribution shares. The rounding provision described above is then applied and the shareholder will receive:

One Scrip Distribution share in respect of the 100 ordinary shares held and a cash payment for the fractional entitlement based on the 2 263 cents noted above of $2\ 263 \times 0.83473 = 1\ 889$ cents. This fractional entitlement payment will be subject to 20% dividend withholding tax, resulting in a net cash payment of 1 511 cents, in this example.

3.3 Nominee companies

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

3.4 Tax implications

3.4.1 The Scrip Distribution and the Cash Dividend alternative are likely to have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act, 58 of 1962 ("the Income Tax Act"), the Cash Dividend will, unless exempt, be subject to Dividend Withholding Tax ("DWT"). South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 36 cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any Double Tax Agreement between South Africa and their country of residence; and

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

4. FOREIGN SHAREHOLDERS

4.1 The distribution of this Circular, and the rights to receive the Scrip Distribution shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Scrip Distribution shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend alternative. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant

jurisdictions in respect of the Scrip Distribution, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

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

5. **PROCEDURE FOR CERTIFICATED SHAREHOLDERS WHO ELECT TO RECEIVE THE CASH DIVIDEND ALTERNATIVE**

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

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

Shareholders who hold certificated ordinary shares (“Certificated Shareholders”) and who wish to receive the Cash Dividend must complete the attached Form of Election in respect of all or part of their shareholding in accordance with the instructions contained therein and lodge it with, or post it to, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61763, Marshalltown, 2107) so as to be received no later than 12h00 on Friday, 5 January 2018. Forms of Election received after this date and time will not be accepted. Forms of Election may also be emailed to corporate.events@computershare.co.za. Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Election Forms or owing to Election Forms being forwarded to any other facsimile or email address other than those provided above. Election Forms shall be deemed to be received on the date reflected in Computershare’s electronic or facsimile systems. Notwithstanding anything to the contrary it is the shareholder’s responsibility to ensure that their Election Forms is received by Computershare Investor Services Proprietary Limited.

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

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

Dematerialised Shareholders’ CSDP/broker accounts will be credited and updated on Monday, 8 January 2018, in accordance with any election made.

5.3 **Election in respect of all or part of the Shareholders’ ordinary shares**

Shareholders may make the election, using the Form of Election, in respect of all or any part of their ordinary shares held on the Record Date, being Friday, 5 January 2018. If an election is made in respect of part of an ordinary shareholding, the Shareholder concerned will receive the Scrip Distribution in respect of the ordinary shares for which the election to receive the Cash Dividend is **not** made. Shareholders who do not wish to receive any Cash Dividend do not need to take any further action and will receive the Scrip Distribution. Shareholders electing to receive the Cash Dividend should note that the election is irrevocable and, once an election to receive the Cash Dividend is made, such election cannot be cancelled.

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

Where applicable, ordinary share certificates will be dispatched to all Certificated Shareholders by registered post at the risk of such Shareholders on or about Monday, 8 January 2018 to their registered addresses or in accordance with the instructions given to the Transfer Secretaries.

According to the election made, Cash Dividend payments will be made by electronic funds transfer into the personal bank accounts of Certificated Shareholders on Monday, 8 January 2018. Certificated Shareholders who have not already provided the Transfer Secretaries with their banking details are requested to complete **FORM B: Direct Credit – Bank Account Details** attached to this Circular and return same to the Transfer Secretaries. **(To combat the increase in cheque fraud, the Company has discontinued payments by cheque and accordingly, payment of any Cash Dividend to Certificated Shareholders is dependent on the Transfer Secretaries being in possession of such Certificated Shareholder’s banking details.)**

Shareholders’ CSDP/broker accounts will be updated on Monday, 8 January 2018.

7. **LISTING OF NEW ORDINARY SHARES**

Application has been made to the JSE to list the maximum possible number of Scrip Distribution shares issued in terms of the Scrip Distribution, with effect from the commencement of business on Wednesday, 3 January 2018. An adjustment of the number of ordinary shares listed will be made on or about Wednesday, 10 January 2018, in accordance with the actual number of ordinary shares issued in terms of the Scrip Distribution.

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

8. **EXCHANGE CONTROL REGULATIONS**

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

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

- 8.1.1 any share certificate that may be issued to non-resident Shareholders will be endorsed “non-resident”;
- 8.1.2 any new share certificates issued based on emigrant Shareholders ordinary shares controlled in terms of the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange controlling their remaining assets. The election by emigrant Shareholders for the above purpose must be made through the Authorised Dealer in foreign exchange controlling their remaining assets. Such new share certificates will be endorsed “non-resident”; and
- 8.1.3 cash dividend payments paid out of the Company’s distributable profits due to non-residents and emigrant Shareholders are freely transferable from South Africa. In respect of all non-residents of the Common Monetary Area (collectively, the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland) the cash dividend payments due will be sent to the registered address of the Shareholder concerned or in accordance with instructions given to the Transfer Secretaries. In respect of all emigrants, the dividend payments will be sent to the Authorised Dealer in foreign exchange controlling their remaining assets.

8.2 **in the case of Dematerialised Shareholders:**

- 8.2.1 any ordinary shares issued to emigrant Shareholders from the Common Monetary Area will be credited to their remaining shares accounts at the CSDP controlling their remaining portfolios. Any ordinary shares issued to a non-resident of the Common Monetary Area will be credited to such non-residents CSDP or broker account and a “non-resident” annotation will appear in the CSDP or broker register; and
- 8.2.2 any cash dividend payments paid out of the Company’s distributable profits to non-residents and emigrant Shareholders from the Common Monetary Area are freely transferable and will be credited to the CSDP or broker controlling their portfolios.

9. **EXPERTS' CONSENTS**

The merchant bank and sponsor and the Transfer Secretaries to Life have consented in writing to act in the capacity stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular.

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

By order of the Board

Fazila Patel

For and on behalf of

Life Healthcare Group Holdings Limited

Company Secretary

Registered office

21 Chaplin Road, Illovo, 2196
Johannesburg
South Africa

Tuesday, 12 December 2017

Illovo



Life Healthcare Group Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number 2003/002733/06)

JSE share code: LHC
ISIN: ZAE000145892
("Life" or "the Company")

FORM OF ELECTION

A SCRIP DISTRIBUTION OR, ALTERNATIVELY, A CASH DIVIDEND

Only for use by Shareholders who hold ordinary shares in Life in certificated form and who elect to receive the Cash Dividend alternative for all or part of their ordinary shareholding held, or deemed to be held, at the close of business on the Record Date, being Friday, 5 January 2018, failing which the Scrip Distribution will, by default, be distributed to such Shareholders.

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

IF YOU WISH TO RECEIVE THE CASH DIVIDEND FOR ALL OR PART OF YOUR ORDINARY SHAREHOLDING AND

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

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

SHOULD YOU TAKE NO ACTION, REGARDLESS OF BEING A CERTIFICATED OR DEMATERIALIZED SHAREHOLDER, ON MONDAY, 8 JANUARY 2018 THE SCRIP DISTRIBUTION WILL BE DISTRIBUTED TO YOU IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THE CIRCULAR.

FORMS OF ELECTION MUST BE LODGED WITH OR MAILED TO THE TRANSFER SECRETARIES SO AS TO BE RECEIVED BY NO LATER THAN 12h00 ON FRIDAY, 5 JANUARY 2018. FORMS OF ELECTION RECEIVED AFTER THIS TIME AND DATE WILL NOT BE ACCEPTED.

To the Transfer Secretaries:

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

Attention: Corporate Actions Department

Tel: + 27 11 870 8216 or, if calling within South Africa, 086 1100 63434 (available between 08h00 and 16h30 SA time)

Email: corporate.events@computershare.co.za

Shareholders who do not post their Election Forms should ensure that same are faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Election Forms or owing to Election Forms being forwarded to any other facsimile or email address other than those provided above. Election Forms shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary it is the shareholder's responsibility to ensure that their Election Form is received by Computershare Investor Services Proprietary Limited.

I/We _____

(name in BLOCK LETTERS)

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

- hereby irrevocably, and on the terms and conditions contained in this Form of Election and in the Circular, elect to receive the Cash Dividend of 45 cents per ordinary share of R0.000001 each held on the Record Date, being Friday, 5 January 2018, in respect of all or part of my/our ordinary shareholding, instead of the Scrip Distribution;
- acknowledge that this Form of Election is applicable only in respect of ordinary shares in the Company of which I/we was/were the registered holder(s) at the close business on the Record Date, being Friday, 5 January 2018; and
- acknowledge that I/we am/are not entitled to a Scrip Distribution, the number of which will be determined in the ratio that 45 cents bears to the volume weighted average price of an ordinary Life share traded on the JSE during the 15-day trading period ending on Wednesday, 20 December 2017, discounted by 2.5%, in respect of the number of ordinary shares, reflected in Block (D) overleaf, held, or deemed to be held, by me/us at the close of business on the Record Date, being Friday, 5 January 2018 in respect of which I/we have elected to receive the Cash Dividend.

Signed at _____ on _____ 201_

Assisted by (where applicable) _____

Signature _____

Telephone numbers including international and area codes: _____

Home: _____ Work: _____

Cellphone/mobile number: _____

Email address: _____

Telefax number: _____

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

Name, address and contact number of registered Shareholder
(A)

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

Name:	Address in South Africa or substitute instructions:
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Contact telephone and/or cellular phone number:	Email address:
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Account number/Investor Code (IVC)	Number of ordinary shares deemed to be held on the Record Date, being Friday, 5 January 2018, based on your shareholding at the close of business on Friday, 1 December 2017.
(B)	(C)

<p>Anticipated number of ordinary shares for which the Cash Dividend is elected –</p> <p>The remaining Scrip Distribution and Cash Dividend will be calculated by the Transfer Secretaries. The maximum number of ordinary shares for which the Cash Dividend alternative can be elected is the number of ordinary shares still registered in your name in the Company’s registers on the Record Date, being Friday, 5 January 2018.</p>	<p>(D)</p>
<p>(If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed not to have elected to receive the Cash Dividend based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date, being Friday, 5 January 2018. Therefore, certificated Shareholders who wish to receive the Cash Dividend based on their entire holding of ordinary shares need to complete Block D and must complete and sign the rest of the Form of Election in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries.</p>	
<p>Date of signature</p>	<p>Signature</p>

Instructions on how to complete this Form of Election:

1. For the terms and conditions governing the election, refer to the Circular and to the notes below.
2. If you hold share certificate(s) and elect to receive the Cash Dividend alternative in respect of all or part of your shareholding, you should complete Block D above in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries. If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed not to have elected to receive the Cash Dividend alternative and, on Monday, 8 January 2018 the Scrip Distribution will be distributed to you, subject to and in accordance with the provisions detailed in this Circular and based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date, being Friday, 5 January 2018.
3. The signature on this Form of Election of any person who is under legal disability shall be accompanied by the signature of such person’s parent or guardian or legal representative, as the case may be.
4. Any alteration or correction made to this Form of Election must be initialled by the signatory(ies).
5. In order to be valid, this Form of Election must be properly completed and received by the Transfer Secretaries detailed above, by no later than 12h00 on Friday, 5 January 2018. If your Form of Election is received by the Transfer Secretaries by later than 12h00 on Friday, 5 January 2018, on Monday, 8 January 2018, the Scrip Distribution will be distributed to you, subject to and in accordance with the provisions detailed in this Circular and based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date, being Friday, 5 January 2018.
6. Should you have any queries as to the completion of this Form of Election, please contact the Transfer Secretaries.

Notes:

1. Capitalised terms in the Form of Election bear the same meaning as in the Circular unless the context indicates otherwise.
2. Please note that, if your preference is to participate in the Cash Dividend alternative, an election must be made in respect of the number of ordinary shares in the Company for which the Cash Dividend is required. If no election is made for a Cash Dividend, or if a Form of Election is received by the Transfer Secretaries timeously but it is not completed in accordance with the above instructions, the Shareholder will receive the Scrip Distribution in accordance with the Shareholder’s ordinary shareholding in the Company as of the Record Date, being Friday, 5 January 2018. Certificated Shareholders electing to participate in the Cash Dividend alternative and who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing **FORM B: Direct Credit – Bank Account Details** attached hereto and returning same to the Transfer Secretaries.
3. Life reserves the right, in its discretion, to:
 - 3.1 treat as invalid (in which case the Scrip Distribution will be awarded) any Form of Election not complying with the terms of the election or any instruction contained in the Circular;
 - 3.2 require proof of the authority of the person signing this Form of Election, where such proof has not yet been lodged with or recorded by the Transfer Secretaries.

FORM B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM**FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF LIFE HEALTHCARE GROUP HOLDINGS LIMITED (“LIFE”) WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS**

Full name of registered shareholder

Identity number of person signing this form

Your shareholder number (if known)

Email address

Cell phone number

Office phone number

Home phone number

Fax number

REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS**PLEASE NOTE: We cannot accept banking details in the name of a third party**

Name of bank account holder

Name of South African Bank

Name of bank branch

Bank account number

Bank branch code

Account type:

Cheque

Transmission

Savings

I/We hereby authorise

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

Signature of shareholder

Day

Month

Year

If you are signing this form in a representative capacity, please indicate which capacity (see over)

BANK VERIFICATION

I/We confirm that the above information about the abovementioned shareholder’s account at this Bank is correct

Signed on behalf of Bank

BANK STAMP HERE

THIS MUST BE COMPLETED BY YOUR BANK**THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT. (COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).****PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.**

HOW TO COMPLETE THIS FORM

Request for Direct Crediting of payments

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

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

By signing this form you:

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

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

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

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

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

INVESTOR LETTER TO BE COMPLETED BY US INVESTORS

Life Healthcare Group Holdings Limited
21 Chaplin Road
Illovo
Sandton
2196
South Africa

Ladies and Gentlemen:

Date: 201

Election to receive ordinary Life Scrip Distribution shares instead of the Cash Dividend Alternative.

We are delivering this letter to you in connection with our election to receive the Scrip Distribution referred to above. For the purposes of this letter, the term "Associate" means in relation to a person, each of their affiliates, controlling entities, subsidiaries, holding companies, subsidiaries of holding companies, branches and associates (as defined by applicable laws and regulations).

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

1. In making any decision to elect the Scrip Distribution, we confirm that we have such knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of electing the Scrip Distribution. We are experienced in investing in securities of this nature, are familiar with the markets in which the Company operates and we are aware that we may be required to bear, and are able to bear, the economic risk of, and are able to sustain a complete loss in connection with, the Scrip Distribution. We have relied on our own independent examination and due diligence of the Company and the terms of the Scrip Distribution, including the merits and risks involved.
2. We have: (a) made our own assessment and satisfied ourselves concerning legal, regulatory, tax, business and financial considerations in connection herewith to the extent we deem necessary; (b) had access to review publicly available information concerning the Company on its website at www.lifehealthcare.co.za that we consider necessary or appropriate and sufficient in making an investment decision; (c) reviewed such information as we believe is necessary or appropriate in connection with our election of the Scrip Distribution; and (d) made our investment decision based solely upon our own judgement, due diligence and analysis.
3. We acknowledge and agree that the election of the Scrip Distribution does NOT constitute the purchase or sale of a security listed on a US securities exchange.
4. With respect to the Scrip Distribution, we acknowledge, undertake, represent, warrant, confirm and agree (as the case may be): (1) that we are a "qualified institutional buyer" ("QIB") within the meaning of Rule 144A under the US Securities Act of 1933 (the "Securities Act") and also a "qualified purchaser" ("QP") within the meaning of Section 2(a)(51)(A) of the US Investment Company Act of 1940, acquiring the Life ordinary shares of R0.000001 underlying the Scrip Distribution for our own account or for the account of one or more QIBs that are also QPs, with respect to whom we have the authority to make, and do make, the representations, warranties and agreements in this letter; (2) that the Scrip Distribution shares have not been, and will not be, registered under the Securities Act or with any State or other jurisdiction of the United States and that we are aware, and each beneficial owner of the Scrip Distribution shares has been advised, that the Scrip Distribution shares are being offered to us in accordance with the exemption from registration under the Securities Act for transactions not involving a public offering of securities in the United States; (3) that the Scrip Distribution shares may not and will not be reoffered, resold, pledged or otherwise transferred by us except outside the United States in an offshore transaction pursuant to Rule 903 or Rule 904 of Regulation S promulgated under the Securities Act ("Regulation S"). We understand that, on any proposed resale of the shares, we and each subsequent holder will be required to deliver to the transferee of the shares a notice substantially to the foregoing effect.
5. We understand that no action has been or will be taken by the Company, or any person acting on behalf of the Company, that would, or is intended to, permit a public offer of the Scrip Distribution shares in any country or jurisdiction where any such action for that purpose is required.

6. We are entitled to elect the Scrip Distribution shares under the laws of all relevant jurisdictions which apply to us, including any State securities laws in the United States. Our election of the Scrip Distribution will be in compliance with applicable laws and regulations in the jurisdiction of our residence, the residence of the Company, and otherwise.
7. We understand that there may be certain consequences under US and other tax laws resulting from the election of the Scrip Distribution and will make such investigation and consult such tax and other advisers with respect thereto, as we deem appropriate. We will satisfy ourselves concerning, without limitation, the effects of US federal, state and local income tax laws and foreign tax laws on our election of the Scrip Distribution.
8. We understand and acknowledge that the Company and others will rely upon the truth and accuracy of the representations, warranties and acknowledgements set forth herein and agree that if any of the representations, warranties and acknowledgements are no longer accurate, we will promptly notify the Company. We irrevocably authorise the Company to produce this letter or a copy hereof, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding, dispute or official inquiry with respect to the matters set forth herein.
9. We acknowledge that the Company is required to publish business, financial and other information in accordance with the rules, regulations and practices applicable to companies listed on the Johannesburg Stock Exchange (the "Exchange Information"), which we have been able to access without undue difficulty, and we have obtained or accessed and reviewed the Exchange Information. We understand that the financial information relating to the Company has been prepared in accordance with International Financial Reporting Standards, and thus may not be comparable to financial statements of US companies prepared in accordance with US generally accepted accounting principles. At the time that we elect and receive the Scrip Distribution, we will not be in possession of any non-public information with respect to the Company.
10. We have full power and authority to enter into this letter, which has been duly authorised, executed and delivered by us.
11. All representations, warranties, acknowledgements, undertakings and agreements we have made in this letter shall survive the Scrip Distribution and delivery of the Scrip Distribution shares.

Yours sincerely, (Name of investor)

By:

By: