



Eqstra Corporation Limited

(Incorporated in South Africa with limited liability under registration number 1984/007045/06)

*unconditionally and irrevocably guaranteed by Eqstra Investments Proprietary Limited registration number 2015/323818/07 and the
Subsidiary Guarantors*

R8 000 000 000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

FIRST SUPPLEMENT TO THE PROGRAMME MEMORANDUM DATED 16 MARCH 2012

Under the Eqstra Corporation Limited R8 000 000 000 Domestic Medium Term Note Programme (the "**Programme**"), Eqstra Corporation Limited (the "**Issuer**") may from time to time issue unsecured registered notes pursuant to the Programme Memorandum dated on or about 16 March 2012 (the "**Programme Memorandum**").

This document constitutes a supplement ("**Supplement**") to the Programme Memorandum.

Pursuant to a Special Resolution of the Noteholders of the Notes in issue passed on 22 July 2016, subject to and in accordance with Condition 17 of the Terms and Conditions, the Terms and Conditions of the Notes in issue are amended on the basis as set out in this Supplement.

The Issuer amends the Programme Memorandum on the basis as set out in this Supplement.

Save as is set out in this Supplement, capitalised terms used in this Supplement are defined in the section of the Programme Memorandum headed *Terms and Conditions of the Notes*.

For the purposes of this Supplement the term:

- (i) "**Announcement**" means the announcement dated 30 June 2016, made by Eqstra Holdings in respect of, *inter alia*, the Disposal Transaction;
- (ii) "**Effective Date**" means the date and time on which the Disposal Transaction is implemented as contemplated in the Announcement; and
- (iii) "**Disposal Transaction**" means the disposal by Eqstra Holdings of the entire issued ordinary share capital of Eqstra Investments Proprietary Limited to enX Group Limited in terms of an asset for share transaction under section 42 of the Income Tax Act, as contemplated in the Announcement.

This Supplement is supplemental to, and should be read in conjunction with the Programme Memorandum.

The remaining provisions of the Programme Memorandum shall apply, subject to any amendments required by this Supplement. All references to the Programme Memorandum shall mean the Programme Memorandum as supplemented by this Supplement, as further amended or supplemented from time to time.

WEBBER WENTZEL

in alliance with > **Linklaters**

Attorneys to the Issuer



Attorneys to enX



Debt Sponsor

Dealers

Absa CIB, a division of Absa Bank Limited

FirstRand Bank Limited, acting through its division Rand Merchant Bank

Nedbank Limited, acting through its division, Nedbank CIB

The Standard Bank of South Africa Limited, acting through its division, Corporate and Investment Banking

Supplement dated: 7 November 2016

AMENDMENTS

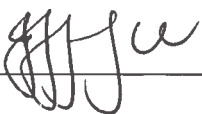
On and with effect from the Effective Date, and subject to the execution of the amended Parent Guarantee and the amendments to the Subsidiary Guarantee reflecting the amendments described below, the Programme Memorandum is hereby amended as follows:


1. on the first page of the Programme Memorandum, by the deletion of "*Eqstra Holdings Limited*" and the replacement thereof with "*Eqstra Investments Proprietary Limited*";
2. on the second page of the Programme Memorandum, by the deletion of:
 - 2.1. "*Eqstra Holdings Limited*" and the replacement thereof with "*Eqstra Investments Proprietary Limited*"; and
 - 2.2. "*Eqstra Holdings*" and the replacement thereof with "*the Parent Guarantor*";
3. on the third page of the Programme Memorandum, by the deletion of "*Eqstra Holdings (the Parent Guarantor)*" and the replacement thereof with "*the Parent Guarantor*";
4. in the section headed *Documents Incorporated by Reference*, by the deletion of all references to "*Parent (www.eqstra.co.za)*" and the replacement thereof with "*Parent Guarantor (www.enxgroup.co.za)*";
5. in the paragraph headed *Parent Guarantor* in the section headed *Summary of the Programme*, by the deletion of "*Eqstra Holdings*" and the replacement thereof with "*Eqstra Investments Proprietary Limited*";
6. in the section headed *Pro Forma Applicable Pricing Supplement*, by the deletion of:
 - 6.1. "*Eqstra Holdings*" immediately after "*irrevocably guaranteed by*" and the replacement thereof with "*Eqstra Investments Proprietary Limited*";
 - 6.2. "*Eqstra Holdings*" in item 2 of the section headed *Description of the Notes* and the replacement thereof with "*Eqstra Investments Proprietary Limited*";
7. in the section headed *Terms and Conditions of the Notes*, by:
 - 7.1. the deletion of Condition 1.27 (being the definition of "*Eqstra Holdings*") in its entirety;
 - 7.2. the deletion of Condition 1.68 (being the definition of "*Parent*") in its entirety;
 - 7.3. the deletion of "*Eqstra Holdings*" in Condition 1.70 and the replacement thereof with "*Eqstra Investments Proprietary Limited a company incorporated in accordance with the laws of South Africa, registration number 2015/323818/07*"; and
 - 7.4. the insertion of "*Guarantor*" immediately after "*Parent*" in Conditions 6.3, 6.4 and 18;
8. by the deletion of the section headed *Description of Eqstra Holdings Limited and description of the Issuer* in its entirety and the replacement thereof with the new section headed *Description of the Parent Guarantor and description of the Issuer*, attached hereto as Appendix "A";
9. in the section headed *The Parent Guarantee*, by the deletion of all references to "*Eqstra Holdings Limited*" and the replacement thereof with "*Eqstra Investments Proprietary Limited*", on the basis that Eqstra Investments Proprietary Limited is substituted for Eqstra Holdings as the Parent Guarantor with effect from the Effective Date;
10. in the section headed *Subsidiary Guarantee*, by the deletion of the signature block in respect of each of *Mutual Construction Company (Transvaal) (Proprietary) Limited* and *MCC Contracts (Proprietary) Limited*, on the basis that these two companies cease to be Subsidiary Guarantors with effect from the Effective Date;
11. save as set out in paragraphs 1 to 10 above, by the deletion of all references to:
 - 11.1. "*Eqstra Holdings Limited*" and "*Eqstra Holdings*" and the replacement thereof with "*the Parent Guarantor*";
 - 11.2. "*Mutual Construction Company (Transvaal) (Pty) Ltd (Registration number 1988/002721/07)*, *MCC Contracts (Pty) Ltd (Registration number 1983/008084/07)*";

- 11.3. "Eqstra Corporation (Proprietary) Limited" and the replacement thereof with "Eqstra Corporation Limited"; and
- 11.4. "1984/007045/07" and the replacement thereof with "1984/007045/06"; and
12. by the consequential renumbering of the Programme Memorandum.

This Supplement will be made available on the website of the JSE at www.jse.co.za and on the website of the Parent Guarantor at www.enxgroup.co.za.

EQSTRA CORPORATION LIMITED

By:  _____
Director, duly authorised J.L. SERFONTEIN
Date: 7 NOVEMBER 2016 2016

By:  _____
Director, duly authorised H.M. Lindeque
Date: 7 November 2016

DESCRIPTION OF THE PARENT GUARANTOR AND DESCRIPTION OF THE ISSUER**DESCRIPTION OF EQSTRA CORPORATION LIMITED ("EQSTRA CORPORATION")****1. DETAILS AND BUSINESS OF EQSTRA CORPORATION**

Eqstra Corporation Limited (registration number 1984/007045/06) was incorporated in South Africa on 11 July 1984 in accordance with the laws of South Africa. Eqstra Corporation is a public company and is governed by the Companies Act. Eqstra Corporation is a 100% owned subsidiary of Eqstra Investments Proprietary Limited (registration number 2015/323818/07) ("**Eqstra Investments**").

Eqstra Corporation provides value-added full maintenance leasing and fleet management for passenger cars and commercial vehicles in the South African market. It services the corporate market with fleet management outsourcing facilities and supplies the fleets to its clients on a comprehensive service offering.

The strength of Eqstra Corporation is the supplementary value added fleet management solutions offered to its customers, such as comprehensive insurance, accident management services, procurement, disposals, fleet administration and fuel.

HyperCar is the sales branch of Eqstra Corporation and sells vehicles once the leases have expired.

The treasury function is hosted by Eqstra Corporation and all funding for the Eqstra Investments Group (as that term is defined below) is raised in Eqstra Corporation.

2. COMPANY SECRETARY OF EQSTRA CORPORATION

Liezl Moller
61 Maple Street
Pomona
Kempton Park
1619

011 966 2000

3. BOARD OF DIRECTORS OF EQSTRA CORPORATION

The following persons are currently on the board of Eqstra Corporation:

JL Serfontein (Director)
JV Carr (Director and CEO)
HM Lindeque (Director and Treasurer)

4. REGISTERED ADDRESS OF EQSTRA CORPORATION

The registered statutory address of Eqstra Corporation is:

61 Maple Street
Pomona
Kempton Park
1619

5. AUDITORS OF EQSTRA CORPORATION

Deloitte & Touche

DESCRIPTION OF EQSTRA INVESTMENTS AND THE EQSTRA INVESTMENTS GROUP

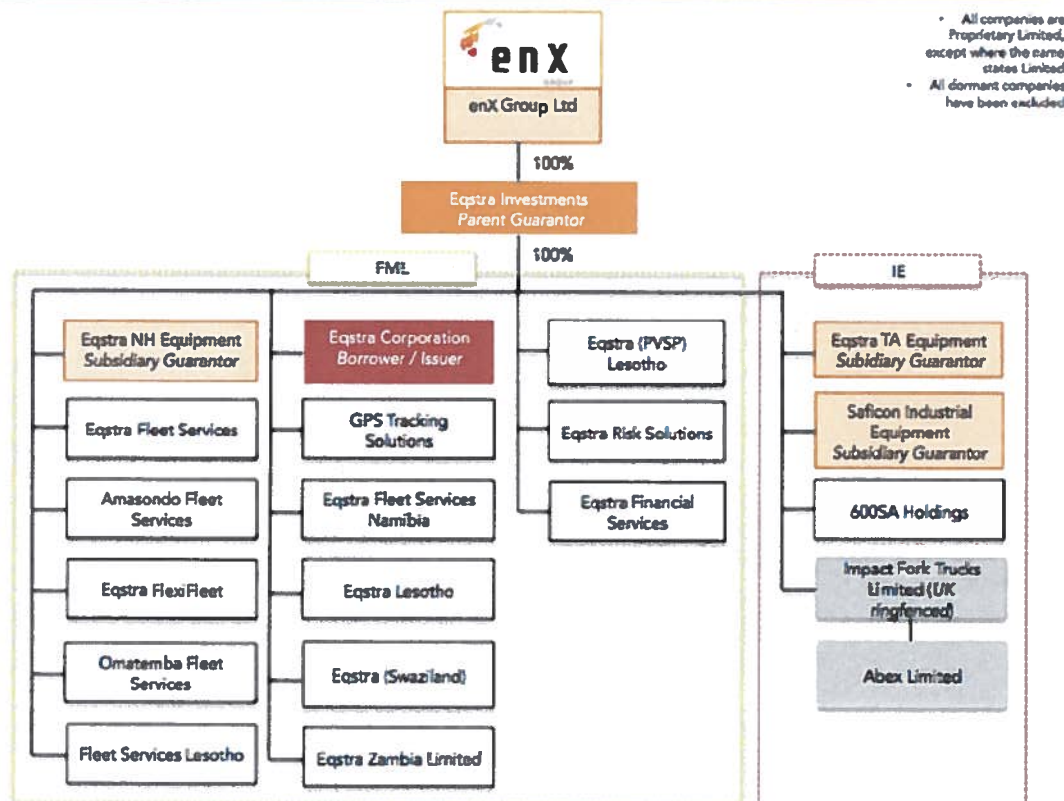
1. DETAILS AND BUSINESS OF EQSTRA INVESTMENTS AND THE EQSTRA INVESTMENTS GROUP

Eqstra Investments is the holding company of the group of companies comprising Eqstra Corporation and certain other subsidiaries (the "Eqstra Investments Group"). Eqstra Investments is a 100% owned subsidiary of enX Group Limited (registration number 2001/029771/06) ("enX"), a public company listed on the JSE.

The Eqstra Investments Group consists of two divisions which are managed as stand-alone and decentralised businesses. The golden thread within each division is the management of mobile capital equipment from distribution or purchase to disposal, with value-added throughout the lifecycle:

- **Passenger and Commercial Vehicles**
Leasing, rental, fleet management, maintenance and related services for passenger and light, medium and heavy commercial vehicles.
- **Industrial Equipment**
Distribution, leasing, rental and value-added services for materials handling and industrial equipment.

Eqstra Investments Group



2. EQSTRA INVESTMENTS GROUP STRATEGY

Eqstra Investments Group's core business is the distribution, long-term lease and rental of mobile capital equipment and the provision of related value-added annuity services to clients in the industrial and commercial sectors in South Africa, the rest of Africa, the United Kingdom (UK) and Ireland.

The Eqstra Investments Group has a clear strategy of creating sustainable annuity revenue streams through the distribution, long-term lease and rental of mobile capital equipment, and the provision of related value-added services to clients in the industrial and commercial sectors. The divisions in the Eqstra Investments Group are all established operations, with a number of them more than 31 years old.

The Eqstra Investments Group creates value through its ability to extract optimal value throughout the equipment lifecycle by:

- Managing the use of mobile capital equipment from acquisition or distribution to the point of sale or scrapping of the used equipment (Industrial Equipment)
- Managing vehicles from point of purchase to point of sale (Passenger and Commercial Vehicles)

This annuity income and highly cash generative business model ensure the effective servicing of debt in the Eqstra Investments Group. The Eqstra Investments Group focuses on business to business clients and has limited direct retail exposure. The Eqstra Investments Group only deals in core production mobile capital equipment with reputable brands, which results in strong tradability and residual values during the lifecycle of equipment.

Client contracts are generally between three to eight years and are priced in a way which ensures the full absorption of asset costs through value-added services. As a result, a profit is usually realised on disposal. These long-term asset-based contracts are matched by the long-term debt taken on by the Eqstra Investments Group.

The Eqstra Investments Group value-creation business model

DISTRIBUTE ASSET	LEASE OR RENT OUT ASSET	VALUE-ADDED MAINTENANCE, PARTS, INSURANCE	SELL ASSET AFTER LEASE PERIOD
Wholesale margin	Lease or Rent	Value-added Margin	Disposal Margin
Captured at the initial point of the asset life by supplying the product directly and negotiating with OEM distributors or dealers.	<p>Extracted through the ability of the Eqstra Investments Group to leverage its balance sheet.</p> <p>Strong annuity income streams are conducive to leveraging the Eqstra Investments Group's balance sheet.</p>	<p>Extracted by providing the complete management of an asset.</p> <p>This can include maintenance, fuel cards, driver training, best route tracking systems, batteries and insurance.</p>	Captured on sale of the asset. The disposal margin is optimised by the careful upfront selection of asset class and brand, high-quality care and maintenance of the asset through its lifecycle and use of the Eqstra Investments Group's established sales channels.

3. DESCRIPTION OF BUSINESS OF THE EQSTRA INVESTMENTS GROUP

Passenger and Commercial Vehicles

The Passenger and Commercial Vehicles division provides leasing, rental and value-added services for passenger and commercial vehicles in South Africa and various other African countries. The division originated as a supplier of vanilla leasing products about 31 years ago and has evolved to become a provider of a full fleet management solution to clients.

The core product offering of commercial and passenger vehicle leasing has been supplemented by value-added services, including vehicle tracking products and accident management solutions. Clients are able to derive tangible benefits from these services, particularly in view of current driving patterns and behaviour. This is supported by a proactive approach to accident management when incidents do occur, with a focus on intelligent procurement and cost control.

The introduction of a wide range of annuity income value-added services increases the ability of the division to perform strongly through the economic cycle. The value-added component, together with the division's unique re-marketing strategy for end of lease vehicles, also allows the division to take on an appropriate level of residual risk. The division applies a stringent approach to selecting and replacing contracts. Primarily blue chip clients are serviced, which ensures that the risk of bad debt is kept at a minimum.

The division operates under two primary business units:

- Fleet Management delivers end-to-end fleet management solutions which enable clients to achieve efficiencies and cost savings over their entire fleet supply chain for passenger and light commercial vehicles. This is supported by a unique and comprehensive driver management approach.

- FlexiFleet offers fleet management solutions in the medium and heavy commercial vehicle market, including leasing and rental. The division owns and operates a national network of commercial vehicle workshops and two commercial vehicle panelshops.

Industrial Equipment

The Industrial Equipment division provides distribution, leasing, rental and value-added services for industrial and materials handling in South Africa, various other African countries, the UK and Ireland. The division primarily services blue chip clients in a wide range of sectors. These span retail, manufacturing, ports and container handling, warehousing and fast-moving consumer goods. The division is the largest supplier of forklifts to the South African market and has the largest product support infrastructure in the region.

The division achieves value creation and a competitive advantage through high-quality aftermarket services. Client engagement is proactively handled at various levels through multi-tier relationships. Service support meetings are held at least monthly with key clients. The core business of the division is the sale, rental and aftermarket support of forklift equipment. Expansion of the division has been from this base and is driven by a clear strategic focus - offering clients a total materials handling solution to meet their requirements.

In line with this model, the division has supplemented its offering of forklift equipment with value-added services and products such as batteries and chargers for forklifts and industrial cleaning equipment for clients' premises.

In identifying expansion opportunities, the division targets globally recognised brands only. The division's range of cleaning equipment, for example, is sourced from Hako, the premier European cleaning equipment manufacturer. Due to the investment made in aftermarket support, the division targets only exclusive distributorships with original equipment manufacturers (OEMs).

Strengths

The Eqstra Investments Group's strength lies in its long track record, vertical integration and diversity. The Eqstra Investments Group is focused along a central theme of extracting the maximum value from every asset through vertical integration and value-added products and services. Over a long period, the Eqstra Investments Group has accumulated expertise in understanding the high-quality assets it leases out and owns. This often allows for the creation of a second lease life for most equipment. The Eqstra Investments Group's focus is on movable assets of high quality, which ensures that assets are easily tradable (sometimes internationally) and market value is readily achievable. Established relationships with equipment suppliers ensure that the Eqstra Investments Group's assets are revenue generating, rather than held for inventory, and as a result the business has a relatively low working capital requirement. The average length of the leasing contracts varies from 42 to 72 months, depending on the asset class. These leases provide annuity income that more than covers the related interest, amortisation and value-added costs.

4. RISK FACTORS

The Issuer, the Parent Guarantor and the Subsidiary Guarantors believe that the following factors may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. Most of these risks are contingencies that may or may not occur and neither the Issuer nor the Parent Guarantor nor the Subsidiary Guarantors are in a position to express a view on the likelihood of any such contingencies occurring. In this context, the following specific risks have been identified:

Passenger and Commercial Vehicles

- Residual value of vehicles. When used vehicle prices decline as a result of competitive pricing for new vehicles or high interest rates, residual values and disposal profits may come under pressure. Sophisticated residual value management and modelling employed by the Eqstra Investments Group has been successful to date in limiting the impact of this pressure.
- Credit Risk. The division assumes corporate credit risk. This risk is successfully mitigated by a rigorous credit assessment process, as well as the Eqstra Investments Group's ability to dispose of used vehicles through HyperCar, further assisting in limiting credit losses.

Industrial Equipment

- Loss of distribution rights. It may be possible to lose the distribution rights of some of our major brands. However, the Eqstra Investments Group have maintained the Toyota forklift distribution rights for the last 30 years.
- Weaker currency. A weaker Rand will increase the cost of importing new equipment but this will underpin the residual values of all the existing equipment.

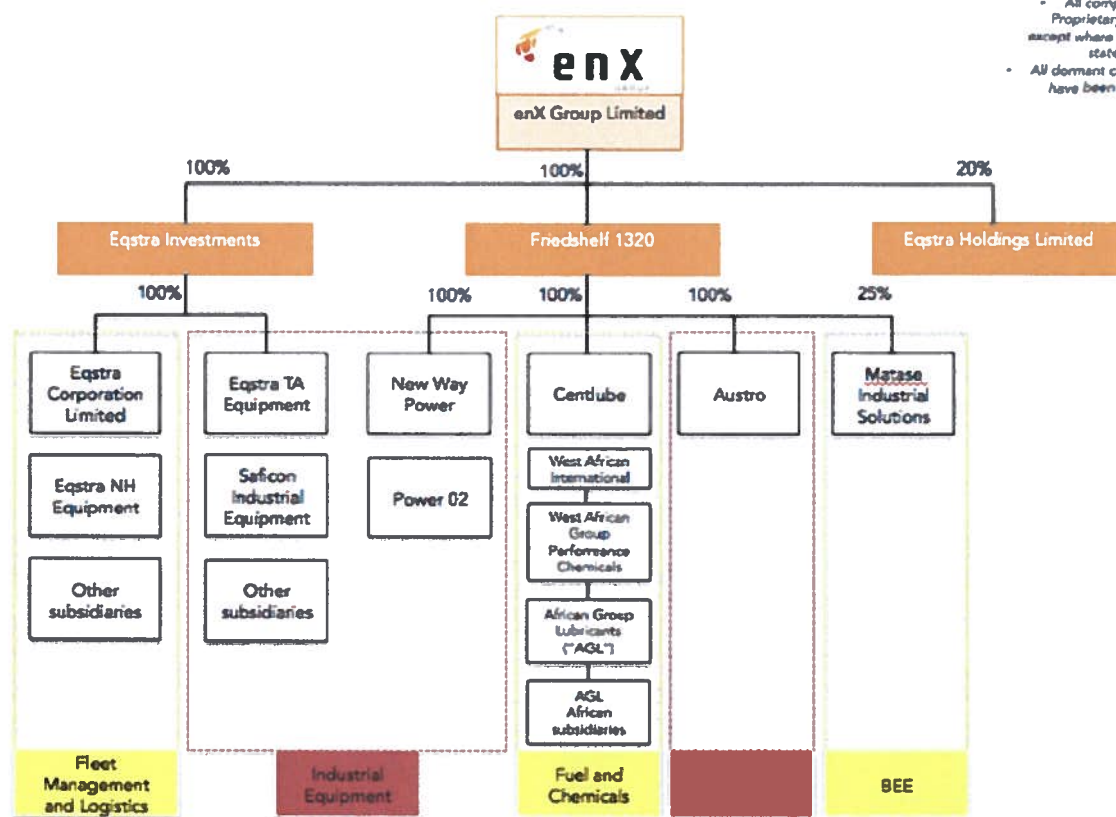
- Cheap imports. There is a risk that an increase in cheaper Chinese imports may add additional competition to this market. However, to date these products generally have a shorter useful lifespan with a higher percentage of down time.
- Skills shortage. Currently there is a shortage of qualified technicians in South Africa. The Eqstra Investments Group has identified this as a risk and has an established in-house training academy.

DESCRIPTION OF ENX GROUP LIMITED

1. DETAILS AND BUSINESS OF ENX GROUP LIMITED

- 1.1. enX is an industrial energy and supplies group that provides quality branded power and fuel products and in some segments, locally manufactured capital and consumable goods and support services, to a broad range of economic sectors in South Africa and sub-Saharan Africa. A key component of enX's business model is its offering of ongoing servicing and customer support, thereby adding value to the products sold.
- 1.2. enX has been listed in the JSE's "Industrial Engineering" sector, "Industrial Machinery" sub-sector since 2007. enX was formerly known as Austro Group Limited, which name originated from the woodworking machinery business, Austro Proprietary Limited, its sole asset at the time of listing. The group subsequently acquired the power businesses of New Way Power Proprietary Limited and Gentlube Proprietary Limited, an oil lubricant business which represents Mobil and ENI in sub-Saharan Africa. Following these major changes in the composition of the group, the board elected to change the name of the group to enX to better reflect the group's new composition and the direction in which it is heading. In June 2015 enX purchased the business of Genmatics in order to increase its diesel generator rental business within New Way Power. Further to this in February 2016 the group purchased West African International Proprietary Limited, incorporating African Group Lubricants Proprietary Limited. This acquisition was done to bolster the size of enX's Fuel and Chemical cluster.
- 1.3. The enX group operates through the following business units:
 - 1.3.1. Power, which incorporates:
 - 1.3.1.1. the Private Power Sales division, which designs, manufactures, supplies, installs and maintains diesel generators;
 - 1.3.1.2. the Power Product Distribution division, which distributes industrial engines, marine engines and components; and
 - 1.3.1.3. the Temporary Power division, which rents out temporary power in the form of diesel generators;
 - 1.3.2. Fuel and Chemicals, which incorporates:
 - 1.3.2.1. the production and marketing of oil lubricants in sub-Saharan Africa;
 - 1.3.2.2. leading resellers and distributors of polymer, rubber, fillers and specialised chemicals; and
 - 1.3.3. Wood, which engages in the distribution of professional woodworking equipment, tooling and edging and the provision of associated services.
- 1.4. enX's operating subsidiaries include New Way Power Proprietary Limited (incorporating Genmatics), Power O2 Proprietary Limited, Austro Proprietary Limited, Gentlube Proprietary Limited, West African International Proprietary Limited and African Group Lubricants Proprietary Limited.
- 1.5. enX has set up an enterprise development initiative with Matase Industrial Solutions Proprietary Limited. Matase is an associate of enX, with the Group holding 25% of Matase.
- 1.6. Further details on the enX group is available on the website of enX (www.enxgroup.co.za).

- All companies are Proprietary Limited, except where the name states Limited
- All dormant companies have been excluded



2. DIRECTORS AND MANAGEMENT

The full names, ages, business addresses, qualifications, position and experience of the directors of enX are outlined below.

Name and age	Steven Joffe (45)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	B Comm (Hons), H Dip Co Law, CA (SA)
Position	Chairman
Experience	Steven is CEO of Wild Rose Management Proprietary Limited, as well as a director of various portfolio investments. He was formerly CEO of Gold Reef Resorts Limited. Steven is an indirect shareholder in Wild Rose Capital Proprietary Limited.

Name and age	Paul Mansour (43)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	CA (SA)
Position	Deputy executive chairman
Experience	Paul has more than 12 years' experience in investment banking in South Africa and the USA, having advised both South African and international companies. He formerly served as a Director of Corporate Finance at BoE, corporate finance consultant at ABSA and as Vice President at Merrill Lynch & Co. He was appointed CEO of enX in April 2013 and is a

shareholder in Wild Rose Capital Proprietary Limited.

Name and age	Irwin Lipworth (40)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	BComm, BAcc, CA(SA)
Position	Financial director
Experience	After having served articles at PKF, Irwin was appointed a partner in 2004 and held this position for six years. Irwin joined Ellies Holdings Limited in 2010 as the group financial manager after becoming involved with the company as its auditor and reporting accountant in 2007 when Ellies listed on the JSE. In August 2014 Irwin took over the role of Chief Financial Officer at Ellies. On 1 May 2016 Irwin joined the enX Group Limited as Financial Director.

Name and age	Mpho Makwana (46)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	B Admin (Hons), EDP
Position	Lead independent non-executive director
Experience	<p>Mpho is the Independent Non-Executive Chairman of JSE-listed ArcelorMittal South Africa Limited and also serves an Independent Non-Executive Director on the boards of JSE listed companies such as Adcock Ingram Holdings Ltd (AIHLF.PK), Nedbank Group Ltd (NDBKF.PK), Nedbank Ltd and Sephaku Holdings Limited (SEPJ.J).</p> <p>He further serves as Chairman of Epitome Investments (Pty) Ltd, New Nishati Investments (Pty) Ltd, Information Technology Alliance (ITNA) (Pty) Ltd and the Boardroom Alliance (Pty) Ltd - which holds the sub-Saharan trading license for Executive Search firm Heidrick & Struggles. Non-Executive Director BioTherm Energy (PTY) Ltd; one South Africa's foremost renewable energy companies.</p> <p>He also volunteers as a Member of the Nelson Mandela Children's Hospital Fund's Fund Raising Committee and is a Trustee on the Board of the Nelson Mandela Children's Fund. In April 2016 he was one 14 trustees appointed by HE The President of the Republic of SA to serve as a Trustee on the Board of Trustees of BRAND SA.</p> <p>During the 2010 FIFA World Cup, Mpho led the team that kept the lights on; firstly as Interim Chairman & CEO (3rdQ 2009) and as Chairman of Eskom Holdings Limited SOC from 10 June 2010 until his term as Director concluded on 27 June 2011, after serving on that board for nine years.</p>

Name and age	Paul Baloyi (59)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	MBA, MDP, SEP (Harvard)
Position	Non-executive director
Experience	<p>Mr Baloyi has been in numerous leadership positions. He has over 35 years of experience in the Finance sector. Paul's qualifications include an MBA (University of Bangor Manchester) MDP, AMP (INSEAD) and SEP(Harvard).</p> <p>Paul is the founder of CapLeverage. Until April 2012, he has been chief executive officer and managing director of the Development Bank of Southern Africa from June 2006. Paul also served as chief executive officer and managing director of DBSA Development Fund.</p>

Prior to this Paul has spent 30 years in the Financial Services Sector, with both Standard Bank and the Nedbank group. His last position at Nedbank was as managing director of Nedbank Africa. He was a council member of the Institute of Bankers and also served as chairman of the Nedmedical Aid.

Paul has been an independent non-executive director on many boards locally and internationally including, African financial institutions. He was a member of the IOD.

Current Boards include; Old Mutual South Africa, Basil Read Holdings Limited (Chairman), Bidvest Group limited, Bidvest Bank Limited, and Bid Corporation Limited.

Name and age	Nopasika Lila (46)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	CA(SA)
Position	Independent non-executive director
Experience	Nopasika is Chief Financial Officer of Eskom Pension and Provident Fund. She also serves as an independent non-executive director of Nampak Limited. Her vast experience covers finance, strategic issues and training and development.

Name and age	Anthony (Tony) Phillips (70)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	BSc
Position	Independent non-executive director
Experience	Tony has extensive experience in the industrial sector and was formerly CEO of Barloworld and Chairman of PPC. He is currently non-executive Chairman of Mpact Limited and Newman Lowether and Associates, Vice Chairman of Kansai Plascon Africa Limited and a non-executive director of Eqstra Holdings Limited.

Name and age	Paul O'Flaherty (53)
Business address	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Qualification	B. Comm, B. Acc, CA(SA)
Position	Non-executive director
Experience	Paul completed his articles at PricewaterhouseCoopers where he later became Partner. He previously served as Chief Financial Officer and Deputy CEO of Group Five Limited, Chief Financial Officer at Al Naboodah Construction Group LLC (UAE), Finance Director and Group Executive: Group Capital at Eskom Holdings SOC Limited, where he was responsible for the funding and oversight of the capacity expansion programme and up until February 2016 was the CEO of ArcelorMittal (South Africa) Limited.
	Paul is currently CEO of Al Naboodah Group Enterprises LLC, a Dubai based family conglomerate and is also a non-executive director of Barclays Africa Group Limited, ABSA Bank Limited and ArcelorMittal (South Africa) Limited. Paul is also a member of the Issuer Regulation Advisory Committee of the JSE Limited.

Name and age	Mamosa Motjope (35)
Business address	19 Fredman Drive, Sandown, Sandton, 2196
Qualification	BSc Elec Eng, MBA
Position	Alternate non-executive director
Experience	Mamosa has worked as a software developer, business analyst, strategy development consultant, project manager and programme manager since 2003 and has accumulated practical experience at a number of top firms, including Standard Corporate and Investment Bank, JP MorganChase, Gemini Consulting and Absa Capital. Mamosa joined the Industrial Development Corporation of South Africa in 2012, with her current role being dealmaker in the Textile and Clothing business unit.

All directors are South African nationals.

3. CORPORATE GOVERNANCE

The enX group is committed to upholding the highest standards of ethics, transparency and good governance, while pursuing profitable growth. The board of directors of enX (the "**Board**") is accountable for ethical leadership, sustainability and good corporate citizenship. The enX group's commitment to good corporate governance is woven through every aspect of the management structure.

The Board takes overall responsibility for the enX group, selecting the management team, overseeing corporate strategy and performance and acting as a resource for management in matters of planning and policy.

With the aim of achieving a balanced economic, social and environmental performance, the Board supports efforts to ensure the long-term sustainability of the business. Legitimate stakeholder involvement is kept in mind at all times, and the Board fully supports the materiality approach, which emphasises reporting based on issues and elements that can have a material impact on the sustainable performance of the business over the short, medium and long term.

It is the responsibility of the Board to ensure the application of the principles contained in the King III Code of Corporate Governance for South Africa 2009 ("**King III**"), while maintaining the enX group's focus on sustainable performance. In line with the 'apply or explain' philosophy of King III, enX has elected not to apply certain principles and is satisfied that alternate governance controls have been implemented.

Accordingly, the Issuer complies with the King III. Further details on the application of King III is available on the website of enX (www.enxgroup.co.za).

Composition of the board of directors

The board comprises two executive directors and six non-executive directors, three of whom are independent. Board appointments are made in terms of the policy on nominations and appointments, such appointments are transparent and a matter for the board as a whole.

There are no fixed-term contracts for executive directors and the notice period for termination or resignation is one calendar month. The executive directors are subject to a non-compete undertaking for a period of 12 months from the date of termination of his employment with enX.

Role of the directors

Ultimate control of the company rests with the board of directors while the executive management is responsible for the proper management of the company. To achieve this, the board is responsible for establishing the objectives of the company and setting a philosophy for investments, performance and ethical standards. Although quarterly board meetings are arranged every year, additional meetings are called should circumstances require it.

Functions of the board

The board acknowledges that it is responsible for ensuring the following functions as set out in the board charter:

- good corporate governance and implementation of the code of corporate practices and conduct as set out in the King III report;
- that the group performs at an acceptable level and that its affairs are conducted in a responsible and professional manner; and
- the board recognises its responsibilities to all stakeholders.

Responsibilities of the board

- The performance and affairs of the group, ensuring that the group's strategic direction is designed and implemented to drive value creation for shareholders
- Custodian of governance and implementation of King III principles
- Exercising sound judgement and leading with integrity based on the King III RAFT principles
- Continually monitoring the solvency and liquidity of the group as well as non-financial aspects
- Safeguarding sustainability
- The formal appointment of new directors in accordance with the group's policy

Independence of the directors

The board of directors' independence from the executive management team is ensured by the following:

- separation of the roles of chairman and managing director, with the chairman being independent;
- the audit, investment, nomination, remuneration, risk and social and ethics committees having a majority of independent directors;
- non-executive directors not holding service contracts;
- all directors having access to the advice and services of the company secretary; and
- with prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the company at the company's expense.
- The roles and responsibilities are documented in the board charter.

The committees operate under written terms of reference approved by the board. There is transparency and full disclosure from board committees to the board in the form of verbal report backs by committee chairpersons at board meetings. Minutes of committee meetings are further made available to board members. The board is satisfied that all committees have satisfied their responsibilities during the year.

Audit committee

The primary role of the audit committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the audit committee oversees relations with the external auditors. The committee also assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and nomination of external auditors. The role of the audit committee has been codified in the audit committee charter which has been approved by the board. This charter has been aligned with the requirements of King III and the Companies Act.

The audit committee presently comprises: Nopasika Lila (chairman), Tony Phillips and Mpho Makwana, all of whom are independent non-executive directors. The managing director and financial director attend meetings as invitees. The committee members have unlimited access to all information, documents and explanations required in the discharge of their duties, as do the external auditors.

The board, in consultation with the audit committee chairman, makes appointments to the committee to fill vacancies. Members of the audit committee are subject to re-election by members in general meeting on an annual basis. The board has determined that the committee members have the skills and experience necessary to contribute meaningfully to the committee's deliberations. In addition, the chairman has the requisite experience in accounting and financial management.

In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the audit committee has reviewed accounting principles, policies and practices adopted in the preparation of financial information and has examined documentation relating to the annual integrated report and interim financial report. The clarity of disclosures included in the financial statements was reviewed by the audit committee, as was the basis for significant estimates and judgements.

It is the function of the committee to review and make recommendations to the board regarding interim financial results and the integrated report prior to approval by the board.

The audit committee is further satisfied that the financial director of the company, Irwin Lipworth CA(SA), is sufficiently competent and that the finance function has adequate resources and sufficient expertise.

Ethical performance

The board of directors forms the core of the values and ethics subscribed to by the company through its various bodies and committees. These values and ethics are sustained by the directors' standing and reputation in the business community and their belief in free and fair dealings in utmost good faith and respect for laws and regulations. Fortress has a code of ethics communicated to all staff. The code of ethics stipulates, among other things, that all stakeholders are expected to act in good faith, that bribery in any form is not tolerated, all conflicts of interest need to be declared and that compliance with all legislation is of utmost importance. The code of ethics is reviewed by the social and ethics committee on an annual basis.

The board is not aware of any transgressions of the code of ethics during the 2015 financial year.

No issues of non-compliance, fines or prosecutions have been levied against enX.

Internal financial and operating controls

A framework of financial reporting, internal and operating controls has been established by the board to ensure reasonable assurance as to accurate and timeous reporting of business information, safeguarding of group assets, compliance with laws and regulations, financial information and general operation.

The board reviewed and was satisfied with the effectiveness of the internal financial and operating controls, the process of risk management and the monitoring of legal governance compliance within the company.

Nomination committee

The remuneration committee is mandated by the board to identify suitable candidates to be appointed to the board, identify suitable board candidates in order to fill vacancies, ensure there is a succession plan in place for key management, assess the independence of non-executive directors and assess the composition of the board sub-committees. The nomination committee recommends the individuals to the board for appointment.

The nomination committee presently comprises Mpho Makwana (chairman), Tony Phillips and Steven Joffe.

Remuneration committee

The remuneration committee is mandated by the board to:

- Determine policy and framework for group remuneration;
- Determine short and long-term incentives for group executives, including the total remuneration package of the CEO and each executive director, covering incentive payments and long-term equity-related compensation;
- set targets for performance-related pay schemes of executives;
- assess non-executive directors' remuneration;
- ensure adequate disclosure of directors' remuneration;
- contract with executives; and

- review appropriate market information.

The remuneration committee presently comprises Tony Phillips (chairman), Paul Baloyi and Mpho Makwana.

Social and ethics committee

The social and ethics committee is a statutory committee whose focus is to monitor compliance with labour legislation as well as the corporate social responsibilities and corporate citizenship. The social and ethics committee is also responsible for monitoring and reporting on:

- Employment and workplace employee wellbeing policies;
- Health and public safety;
- Corporate social investment;
- Research and development;
- Health and safety;
- Environmental policies;
- Product quality control;
- Stakeholder relations;
- Empowerment.

The social and ethics committee comprises a majority of independent non-executive directors who are Mpho Makwana (chairman), Nopasika Lila, Tony Phillips and Paul Mansour.

Investment committee

The investment committee considers all corporate activity by the enX group, in particular acquisitions and divestments proposed by management and makes recommendations as it considers appropriate to the board. It is responsible for ensuring that all appropriate due diligence procedures are followed.

The investment committee comprises Paul Baloyi (chairman), Paul Mansour, Paul O'Flaherty and Steven Joffe.

Information Technology ("IT") and steering committee

- Ensuring an IT charter and IT policies and procedures are established and monitored;
- Ensuring independent assurance of the effectiveness of IT internal controls;
- Advising the Audit & Risk Committee on a suitable IT strategy;
- Monitoring and evaluating significant IT expenditure;
- Monitoring compliance with IT laws and related rules, codes and standards;
- Monitoring management of information assets;
- Advising the audit committee on IT-related risk.

The IT and steering committee comprises Paul O'Flaherty (chairman), Sumari Viljoen, Christian Neuberger, Andrew Harthog, Wietsche Oosthuizen, Kirill Oussov, a representative of enX's IT service provider and a representative of enX's external auditors. .

Company secretary

The board has considered the competence, qualifications and experience of the company secretary, CIS Company Secretaries Proprietary Limited, and it is deemed fit to continue in the role as company secretary for

enX. Neither the company secretary, nor its representative, Neville Toerin, is a director of enX and has an arm's length relationship with the board.

Dealing in securities by the directors

Dealing in the company's securities by directors and company officials is regulated and monitored as required by the JSE Listings Requirements. In addition, enX maintains a closed period from the end of a financial period to the date of publication of the financial results.

Broad-based black economic empowerment

enX regards B-BBEE as a business imperative and are committed to transforming into a truly empowered company. In a relatively short period of time enX has improved its B-BBEE rating from Level 8 to Level 4. enX has introduced a 25,01% empowerment consortium to the shareholding of the company. This was effected by the issue of 140 637 983 ordinary shares to Samvenice Trading, a wholly owned subsidiary of CapLeverage, for an aggregate price of R213,8 million. In terms of the CapLev transaction, a 5% broad-based empowered partner will be introduced into the consortium within 24 months. On the strength of this ownership transaction and the group's other empowerment initiatives, enX was awarded a Level 4 B-BBEE rating.

The CapLev transaction builds on enX's commitment to transform into a truly empowered company. By introducing an additional 25,01% BBBEE equity participation in enX, the transaction resulted in improved empowerment credentials for the company, with 26,54% black ownership and 6,29% black women ownership. Applying the Codes, the transaction also resulted in an increase in the points scored by the company in the ownership component of the scorecard from 3.86 to 19.97 out of a maximum of 25 points, according to an internal estimation. In addition to improving the empowerment credentials of enX, enX also benefits from the following:

- enX is positioned as an empowered publicly traded energy company;
- enX is allowed to bid for public and private sector business where a strong BBBEE scorecard is a key determinant;
- enX is a more attractive suitor for businesses that it wishes to bring into the group; and
- key directors with experience in the energy and public sectors are incentivised and locked-in to help drive the growth of the company.

enX's development venture – Matase Industrial Solutions – is one such empowerment initiative. In September 2014 Matase was restructured to become an associate of enX, with the group reducing its shareholding to 25% (previously 49,9% but consolidated in terms of IFRS); and 75% of the shares are held by black shareholders. Matase is rated a Level 2 B-BBEE contributor (in terms of the new codes). It distributes a broad range of industrial products including some of the group's products. During the year we provided Matase with interest-free loans of just under R0,5 million with no fixed repayment terms and our companies also offer technical, administrative and managerial support on an ongoing basis.