

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 5 of this circular have, where appropriate, been used on this cover page.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

Action required

If you have disposed of all your enX shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

enX shareholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of the corporate actions set out in this circular.

enX does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised enX shares to notify such shareholder of the corporate actions set out in this circular.



CIRCULAR TO enX SHAREHOLDERS

relating to:

- the specific issue of 140 637 983 ordinary shares to CapLev Newco, a wholly-owned subsidiary of CapLev, whose shareholders comprise the empowerment consortium, for an aggregate subscription price of R213 769 734.16;
- the granting by enX of a limited indemnity in terms of which enX indemnifies and holds each of the CapLev shareholders harmless from and against certain claims made in terms of CapLev Newco's funding arrangements with the IDC, with the aggregate liability of enX in terms of such indemnity not exceeding R15 000 000; and
- the amendment of the memorandum of incorporation of the company,

and enclosing:

- a notice of general meeting of enX shareholders; and
- a form of proxy to vote at the general meeting of enX shareholders (for use by certificated shareholders and dematerialised shareholders who have elected own-name registration only).

Corporate advisor and sponsor

JAVACAPITAL

Independent expert

IBDO

Reporting accountants

 Grant Thornton
An instinct for growth™

Legal advisor

WEBBER WENTZEL
in alliance with > Linklaters

Date of issue: Monday, 15 June 2015

This circular is available in English only. A copy of this circular is available on the company's website at www.enxgroup.co.za and may also be obtained from the offices of enX, being 202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196 during normal office hours from the date of issue of this circular up to and including the date of the general meeting.

CORPORATE INFORMATION

Registered office of the company

enX Group Limited
(Registration number 2001/029771/06)
202D 11 Crescent Drive
Melrose Arch
Johannesburg, 2196
(PO Box 1914, Florida, 1710)

Corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandown, Sandton
Johannesburg, 2196
(PO Box 2087, Parklands, 2121)

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandown, Sandton Johannesburg, 2196
(PO Box 2087, Parklands, 2121)

Reporting accountants

Grant Thornton Johannesburg
Chartered Accountants SA
(Practice number 903485)
Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg, 2196
(Private Bag X10046, Sandton, 2146)

Independent expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown
Johannesburg, 2193
(Private Bag X60500, Houghton, 2041)

Legal advisor

Webber Wentzel
10 Fricker Road
Sandton
Johannesburg, 2196
(PO Box 61771, Marshalltown, 2107)

Company secretary

CIS Company Secretaries Proprietary Limited
(Registration number 2000/002046/07)
70 Marshall Street
Johannesburg, 2001
(P O Box 61051, Marshalltown, 2107)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Date and place of incorporation of the company

Incorporated on 12 December 2001 in the Republic of South Africa

TABLE OF CONTENTS

The definitions commencing on page 5 of this circular have been used in the following table of contents.

	<i>Page</i>
Corporate information	Inside front cover
Action required by enX shareholders	2
Salient dates and times	4
Interpretations and definitions	5
Circular to shareholders	
1. Introduction	9
2. Nature of business	10
3. Rationale for the transaction	10
4. The empowerment consortium	10
5. Specific issue of shares for cash	11
6. Fairness statement	12
7. The enX indemnity	12
8. Required approval	13
9. General meeting	15
10. The company's share capital	15
11. <i>Pro forma</i> financial effects	16
12. Directors	16
13. Directors' interests in enX shares	17
14. Directors' interests in transactions	17
15. Directors' responsibility statement	19
16. Litigation statement	19
17. Consents	19
18. Expenses	19
19. Documents available for inspection	20
Annexure 1 CapLev Shareholders	21
Annexure 2 Independent expert's fairness opinion	22
Annexure 3 Salient features of the subscription agreement	28
Annexure 4 enX indemnity	34
Annexure 5 Trading history of enX shares on the JSE	36
Annexure 6 <i>Pro forma</i> financial information	38
Annexure 7 Reporting accountants' report on the <i>pro forma</i> financial information	41
Notice of general meeting of shareholders	43
Form of proxy	Attached

ACTION REQUIRED BY ENX SHAREHOLDERS

The definitions commencing on page 5 of this circular apply to this section.

If you have disposed of all your enX shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Please take careful note of the following provisions regarding the action to be taken by shareholders.

THE GENERAL MEETING

A shareholders' general meeting will be held at 10:00 on Tuesday, 14 July 2015 at the registered office of enX at 202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve the transaction and the enX indemnity. A notice convening such general meeting is attached hereto, and forms part of this circular.

1. DEMATERIALISED SHAREHOLDERS WHO DO NOT HAVE OWN-NAME REGISTRATION

- 1.1 If you wish to attend the general meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the general meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- 1.2 If you do not wish to, or are unable to attend the general meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- 1.3 You must **not** complete the attached form of proxy.

2. DEMATERIALISED SHAREHOLDERS WHO HAVE OWN-NAME REGISTRATION

- 2.1 You may attend, speak and vote at the general meeting in person, subject to sections 57 and 58 of the Companies Act.
- 2.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) (proxy@computershare.co.za) by no later than 10:00 on Friday, 10 July 2015.

3. CERTIFICATED SHAREHOLDERS

- 3.1 You may attend the general meeting and speak and vote thereat, subject to sections 57 and 58 of the Companies Act.
- 3.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) (proxy@computershare.co.za) by no later than 10:00 on Friday, 10 July 2015.

4. GENERAL

4.1 Approval of the special and ordinary resolutions at the general meeting

- 4.1.1 In order to be approved, each of the special resolutions to be proposed at the general meeting must be supported by the holders of at least 75% (seventy five percent) of the voting rights exercised on the resolution.
- 4.1.2 In order to be approved, ordinary resolution number 1, to be proposed at the general meeting, must be supported by the holders of at least 75% (seventy five percent) of the voting rights exercised on the resolution, on which resolution any parties and their associates participating in the specific issue have not voted or whose votes have not been counted.
- 4.1.3 In order to be approved, ordinary resolution numbers 2, to be proposed at the general meeting, must be supported by more than 50% (fifty percent) of the voting rights of shareholders exercised on the resolution.
- 4.1.4 A quorum for the purposes of considering the resolutions proposed at the general meeting shall consist of at least three shareholders personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition:
- 4.1.4.1 the general meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
- 4.1.4.2 a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

4.2 Electronic participation at the general meeting

Shareholders or their proxies may participate in the general meeting by way of a teleconference call and, if they wish to do so:

- must contact the company (by email to jarrod.friedman@enxgroup.co.za) no later than 10:00 on Friday, 10 July 2015 in order to obtain a secure code and instructions to access the conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the general meeting,

provided that shareholders and their proxies will not be able to vote telephonically at the general meeting and will still need to appoint a proxy to vote on their behalf at the general meeting.

The company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

The definitions commencing on page 5 of this circular apply to this section.

2015

Record date to receive circular (together with the notice convening the general meeting)	Friday, 5 June
Circular (together with the notice convening the general meeting) posted	Monday, 15 June
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS	Monday, 15 June
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Wednesday, 17 June
Last day to trade in order to be eligible to vote at the general meeting	Friday, 26 June
Voting record date	Friday, 3 July
Last day to lodge forms of proxy for the general meeting (by 10:00)	Friday, 10 July
General meeting held at 10:00	Tuesday, 14 July
Results of the general meeting released on SENS	Tuesday, 14 July
Results of the general meeting published in the press	Wednesday, 15 July
Special resolution to approve the MoI amendment filed with the CIPC	Wednesday, 15 July
Expected date of fulfilment of the conditions precedent	Wednesday, 5 August
Expected date on which the subscription units will be listed, allotted and issued to CapLev Newco	Friday, 14 August

Notes:

1. All dates and times in this circular are local dates and times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
3. Shareholders should note that as transactions in enX shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore, shareholders who acquire enX shares after Friday, 26 June 2015 will not be eligible to vote at the general meeting.
4. If the general meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting.

INTERPRETATIONS AND DEFINITIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“30-day VWAP”	the volume-weighted average price per enX share measured over the 30 business days prior to a specified date;
“Act” or “Companies Act”	the Companies Act, No 71 of 2008, as amended or replaced from time to time;
“BBBEE”	broad-based black economic empowerment, as defined in terms of the BBBEE Act;
“BBBEE Act”	the Broad-Based Black Economic Empowerment Act, No 53 of 2003, as amended or replaced from time to time;
“black person”	a person who falls within the definition of “black people” in the BBBEE Act, and who is a South African citizen by birth or who obtained South African citizenship prior to 27 April 1994;
the “board”	the board of directors of enX;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“CapLev”	CapLeverage Proprietary Limited (registration number 2012/104071/07), a limited liability private company duly incorporated in accordance with the laws of South Africa, the shareholders of which are detailed in Annexure 1 ;
“CapLev funding agreements”	the various finance and security agreements to be entered into amongst CapLev Newco, as borrower, and IDC, as lender, in terms of which CapLev Newco would be able to raise a minimum of R207 956 975 towards the funding of the subscription price, including but not limited to the IDC funding agreement;
“CapLev Newco”	Samvenice Trading 1 Proprietary Limited (registration number 2014/234760/07), a limited liability private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of CapLev;
“CapLev Newco nominee”	a director to be nominated by CapLev Newco for appointment to the board, as provided for in terms of clause 7 of the subscription agreement, which person must: (i) not be ineligible or disqualified to be a director as contemplated in sections 69(7) and (8) of the Companies Act; and (ii) be a black person;
“CapLev Newco preference shares”	415 cumulative redeemable preference shares of no par value in the share capital of CapLev Newco, to be issued to the IDC pursuant to the IDC funding agreement;
“CapLev shareholders guarantee”	an agreement entered or to be entered into between the IDC and each of the CapLev shareholders, as guarantors, in terms of which, <i>inter alia</i> , each of the CapLev shareholders jointly and severally guarantee amounts which may become owing by CapLev Newco in connection with a breach by CapLev Newco of the IDC funding agreement, with the CapLev shareholders’ aggregate liability being limited to a maximum amount of R20 000 000;
“Centlube acquisition”	the acquisition by enX, on and with effect from 1 December 2014, of an effective 100% shareholding in Centlube Holdings;
“Centlube Holdings”	Centlube Holdings Proprietary Limited (registration number 2011/127980/07), a private company duly incorporated in South Africa and a wholly-owned subsidiary of enX;
“certificated shareholders” or “certificated enX shareholders”	shareholders who hold certificated shares;

“certificated shares” or “certificated enX shares”	shares which have not yet been dematerialised into the Strate system; title to which is represented by physical documents of title;
“CIPC”	the Companies and Intellectual Property Commission;
this “circular”	this circular, dated 15 June 2015, including all annexures thereto;
“Codes”	the Codes of Good Practice on Broad Based Black Economic Empowerment, published in terms of the BBBEE Act, as amended from time to time;
“conditions precedent”	the conditions precedent to the transaction, as detailed in paragraph 5.4 of this circular;
“confirmation of subscription price”	the letter from enX to CapLev and CapLev Newco, dated on or about 31 May 2015 and countersigned by representatives of each of CapLev and CapLev Newco, in terms of which it is agreed that the subscription price shall be fixed at an aggregate amount of R213 769 734.16 i.e. R1.52 per subscription share;
“consortium”, “empowerment consortium” or the “CapLev shareholders”	those persons detailed in Annexure 1 , being the individuals who are spearheading the transaction by virtue of their shareholding in CapLev;
“CSDP”	Central Securities Depository Participant;
“dematerialised shareholders” or “dematerialised enX shareholders”	shareholders who hold dematerialised shares;
“dematerialised shares” or “dematerialised enX shares”	shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“director”	a director of enX;
“distribution”	has the meaning ascribed to such term in the Companies Act;
“enX” or “company”	enX Group Limited (registration number 2001/029771/06), a public company duly incorporated in accordance with the laws of South Africa;
“enX indemnity”	the limited indemnity granted by enX to each of the CapLev shareholders, for a period of four years (calculated from the enX indemnity effective date), in terms of which enX indemnifies and holds each of the CapLev shareholders harmless from and against any claim made against any of them in terms of the CapLev shareholders guarantee, provided such claim arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of its share price, with enX’s liability at all times limited to only such portion of the claims made against any of the CapLev shareholders in terms of the CapLev shareholders guarantee which exceeds R5 000 000, and with the aggregate liability of enX limited to R15 000 000, a copy of which is attached to this circular as Annexure 4 ;
“enX indemnity effective date”	the later of (i) the effective date of the CapLev shareholders guarantee and (ii) the passing of the required resolutions in terms of sections 44 and 45 of the Companies Act by the shareholders and directors of enX, as further detailed in paragraph 8.2;
“fairness opinion”	the opinion of the independent expert as to the fairness of the transaction insofar as the shareholders are concerned, prepared in accordance with Schedule 5 of the Listings Requirements, a copy of which is attached to this circular as Annexure 2 ;
“Financial Markets Act”	Financial Markets Act, No 19 of 2012, as amended or replaced from time to time;
“general meeting”	the general meeting of enX shareholders (including any adjournment or postponement thereof), to be held at 10:00 on Tuesday, 14 July 2015 at the registered office of the company, called for the purpose of passing, with or without modification, the resolutions required to approve the transaction and the enX indemnity;
“group” or “enX group”	the company and its subsidiaries;
the “IDC”	the Industrial Development Corporation of South Africa Limited, a corporation established in terms of section 2 of the Industrial Development Corporation Act, No 22 of 1940;

“IDC funding agreement”	the preference share subscription agreement concluded between the IDC, CapLev and CapLev Newco on or about 9 March 2015, in terms whereof the IDC will subscribe for, and CapLev Newco will issue to the IDC, the CapLev Newco preference shares, with the subscription price payable for such CapLev Newco preference shares being compulsorily applied to settle the subscription price;
“independent expert”	BDO Corporate Finance Proprietary Limited (registration number 1983/002903/07), a private company duly incorporated in accordance with the laws of South Africa;
“Java Capital”	in its capacity as sponsor to the company, Java Capital Trustees and Sponsors Proprietary Limited (registration number 2006/005780/07), and in its capacity as corporate advisor to the company, Java Capital Proprietary Limited (registration number 2012/089864/07), both private companies duly incorporated in accordance with the laws of South Africa;
the “JSE”	JSE Limited (registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
the “last practicable date”	Friday, 29 May 2015, being the last practicable date prior to the finalisation of this circular;
“Listings Requirements”	the Listings Requirements as amended from time to time by the JSE, whether by way of practice note or otherwise;
“memorandum of incorporation”, “MoI”, “existing memorandum of incorporation” or “existing MoI”	the memorandum of incorporation of the company;
“MoI amendment”	the proposed amendment of the memorandum of incorporation, so as to, amongst others, record the right of CapLev Newco, following the subscription date and for so long as it is a significant shareholder of enX, to nominate for appointment to the board the CapLev Newco nominee, and one alternate director to serve in substitution for the CapLev Newco nominee, which amendment is proposed to be approved by the shareholders at the general meeting;
“own name dematerialised shareholders” or “own name dematerialised enX shareholders”	dematerialised shareholders who/which have elected own-name registration;
“R” or “Rand”	South African Rand;
“reporting accountants”	Grant Thornton Johannesburg (practice number 903485), a personal liability company duly incorporated in accordance with the laws of South Africa;
“reporting accountants’ report”	the report prepared by the reporting accountants in terms of section 8 of the Listings Requirements, a copy of which is attached to this circular as Annexure 7 ;
“Ricophase”	Ricophase Proprietary Limited (registration number 2012/069330/07), a private company duly incorporated in accordance with the laws of South Africa, the shareholders of which are the David Brouze Trust, the SADES Family Trust, The JSF Family Trust, Paul Mansour and Christian Neuberger;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“share”, “ordinary share” or “enX ordinary share”	an ordinary share in the authorised share capital of the company which, as at the last practicable date, comprise no par value shares;
“shareholders”, “ordinary shareholders” or “enX shareholders”	the registered holders of shares;
“significant shareholder”	in respect of any company, a shareholder who directly or indirectly holds more than 15% of the ordinary shares in the issued share capital of such company or who is entitled to exercise more than 15% of the voting rights exercisable on matters to be decided by the shareholders of such company;
“South Africa”	the Republic of South Africa;

“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a limited liability private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“subscription agreement”	the subscription and relationship agreement concluded between the company, CapLev and CapLev Newco on or about 9 March 2015, as amended by the first addendum to the subscription agreement concluded between the company, CapLev and CapLev Newco on or about 28 May 2015 and read together with the confirmation of subscription price, in terms of which, <i>inter alia</i> , CapLev Newco will subscribe for, and the company will issue to CapLev Newco, the subscription shares for the subscription price, the salient features of which are detailed in Annexure 3 ;
“subscription date”	the first business day following the day on which all the conditions precedent have been satisfied or waived, or such other date as the parties to the subscription agreement may agree to in writing;
“subscription price”	R1.52 per subscription share, being an aggregate amount of R213 769 734.16 for all subscription shares;
“subscription shares”	140 637 983 shares, representing, after their issue, approximately 25.01% of the total issued share capital of enX, to be issued to CapLev Newco pursuant to the subscription agreement;
“transaction” or “specific issue”	the specific issue of the subscription shares to CapLev Newco, in terms of the subscription agreement, as further detailed in paragraph 5 of this circular;
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa; and
“voting record date”	the date on, and the time at which a shareholder must be recorded in the securities register of the company in order to vote at the general meeting, being the close of business on the Friday of the week immediately preceding the date of the general meeting, or such other date or time as the JSE may direct.

Directors

Steven Joffe # (*Chairman*)

Paul Mansour (*Chief executive officer*)

Jarrod Friedman (*Financial director*)

Mpho Makwana* (*Lead independent non-executive director*)

Paul Baloyi*^

Nopasika Lila*

Tony Phillips*

Paul O'Flaherty #^

Non-executive director

* *Independent non-executive director*

^ *Member of the empowerment consortium*

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

- 1.1 As disclosed in a cautionary announcement published on SENS on 16 March 2015, and in the press on 17 March 2015, on 9 March 2015, enX, CapLev and CapLev Newco entered into the subscription agreement in terms of which, subject to the fulfilment or waiver, if applicable, of the conditions precedent, CapLev Newco will, with effect from the subscription date, subscribe for the subscription shares.
- 1.2 The subscription price is to be funded, *inter alia*, by the issue of the CapLev Newco preference shares to the IDC, in terms of the IDC funding agreement. Pursuant to the enX indemnity, enX indemnifies and holds each of the CapLev shareholders harmless from and against any claim made against any of them in terms of the CapLev shareholders guarantee, provided such claim arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of its share price, with enX's liability at all times limited to only such portion of the claims made against any of the CapLev shareholders in terms of the CapLev shareholders guarantee which exceeds R5 000 000, and with the aggregate liability of enX in terms such indemnity limited to R15 000 000. The enX indemnity will remain in force for a period of four years (calculated from the enX indemnity effective date).
- 1.3 The salient features of the transaction, including a summary of the terms of the subscription agreement and the enX indemnity, are set out in paragraphs 5 and 6 of this circular, as well as in **Annexure 3** and **Annexure 4**, respectively.
- 1.4 The purpose of this circular is to provide shareholders with information regarding the transaction, the enX indemnity, the MoI amendment and related director appointments, as well as to convene a general meeting of shareholders at 10:00 on Tuesday, 14 July 2015 at the offices of enX for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions contained in the notice of general meeting attached to this circular.

2. NATURE OF BUSINESS

- 2.1 enX (formerly Austro Group Limited) 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.
- 2.2 The group operates through the following business units:
 - 2.2.1 Power, which incorporates:
 - 2.2.1.1 Private Power Sales, which designs, manufactures, supplies, installs and maintains diesel generators;
 - 2.2.1.2 Power Product Distribution, which distributes industrial engines, marine engines and components; and
 - 2.2.1.3 Temporary Power, which rents out temporary power in the form of diesel generators;
 - 2.2.2 Fuel and Chemicals, which incorporates the production and marketing of oil lubricants in sub-Saharan Africa; and
 - 2.2.3 Wood, which engages in the distribution of professional woodworking equipment, tooling and edging and the provision of associated services.
- 2.3 enX's subsidiaries include New Way Power Proprietary Limited (incorporating Neptune Plant Hire), Power O2 Proprietary Limited, Austro Proprietary Limited and Centlube Holdings.
- 2.4 enX has been listed on the JSE in the "Industrial Machinery" sub-sector of the "Industrial Engineering" sector since 2007.

3. RATIONALE FOR THE TRANSACTION

- 3.1 The board and management of enX are committed to growing the asset base and earnings of the group and driving shareholder value. The implementation of the transaction sees an injection of approximately R213 million new equity, thereby significantly strengthening the equity capitalisation and liquidity of the company and facilitating this growth drive.
- 3.2 Furthermore, the 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 will result in improved empowerment credentials for the company, with 26,54% black ownership and 6,29% black women ownership. Applying the Codes, the transaction will also result 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, the implementation of the BBBEE component of the transaction will also:
 - 3.2.1 position enX as an empowered publicly traded energy company;
 - 3.2.2 allow enX to bid for public and private sector business where a strong BBBEE scorecard is a key determinant;
 - 3.2.3 make enX a more attractive suitor for businesses that it wishes to bring into the group; and
 - 3.2.4 incentivise and lock-in key directors with experience in the energy and public sectors to help drive the growth of the company.

4. THE EMPOWERMENT CONSORTIUM

- 4.1 The transaction enables enX to introduce an empowerment consortium that will be actively and meaningfully involved in promoting the business of the company. The details of the individuals comprising the consortium are set out in **Annexure I**.
- 4.2 The consortium has undertaken to introduce a broad-based empowerment grouping, to be identified by the consortium and enX, holding up to a 5% shareholding in CapLev, within the 24-month period following the conclusion of the transaction.

5. SPECIFIC ISSUE OF SHARES FOR CASH

- 5.1 Subject to fulfilment of the conditions precedent, enX will issue the subscription shares to CapLev Newco at the subscription price.
- 5.2 In terms of the subscription agreement, the parties agreed to a subscription price of R1.50 per subscription share. The subscription price of R1.50 represents a discount of:
 - 5.2.1 19%, measured against the 30-day VWAP as at the date on which the pricing applicable to the subscription shares, to be agreed with the BBBEE consortium, was determined and authorised by the board (being 18 November 2014);
 - 5.2.2 40%, measured against the 30-day VWAP as at the date on which the subscription agreement was signed (being 9 March 2015), such discount being the discount contemplated in section 5.51(f)(ii) of the Listings Requirements; and
 - 5.2.3 40% measured against the 30-day VWAP as at the date of the cautionary announcement (being 16 March 2015),and as such is not limited.
- 5.3 Clause 3.5 of the subscription agreement however provides that the subscription price automatically increases by R0.01 per subscription share for each month or part thereof that the conditions precedent detailed in paragraph 5.4 below remain unfulfilled after 31 March 2015. Notwithstanding that the conditions precedent referred to in paragraph 5.4 below remain unfulfilled as at the last practicable date, and that they are only expected to be fulfilled on or about 5 August 2015, the parties have agreed, in terms of the confirmation of subscription price, that the subscription price will be R1.52 per subscription share and shall not be subject to further increase. Accordingly, the subscription price shall be an aggregate amount of R213 769 734.16. This subscription price of R1.52 per subscription share represents a 30% discount, measured against the 30-day VWAP as at the last practicable date.
- 5.4 The subscription agreement remains subject to the fulfilment or waiver, if applicable, of the following conditions precedent on or before 31 August 2015:
 - 5.4.1 the adoption by way of special resolution by the shareholders of enX, and filing at the CIPC, of the MoI amendment;
 - 5.4.2 the passing of any resolutions required to approve the transaction contemplated in the subscription agreement by the shareholders and board of directors of enX, including, without limitation, the approval of the specific issue in terms of the Listings Requirements and any resolutions required in terms of sections 44 and/or 45 of the Companies Act to approve any financial assistance which may be provided by enX to CapLev in connection with the transactions contemplated by the subscription agreement;
 - 5.4.3 the conclusion and implementation of the CapLev funding agreements to the reasonable satisfaction of enX, CapLev and CapLev Newco; and
 - 5.4.4 the delivery to enX of a copy of the memorandum of incorporation of CapLev and the memorandum of incorporation of CapLev Newco (including proof of filing thereof at the CIPC) incorporating the restrictions on transfer and issue of shares in the share capital of CapLev and CapLev Newco.
- 5.5 70% of the issued share capital of CapLev, being the sole shareholder of CapLev Newco, is held by non-executive directors, or associates of non-executive directors, of enX. As such, the subscription shares will, upon their issue, be held indirectly by non-public shareholders, as defined in section 4.25 of the Listings Requirements.
- 5.6 In addition to the rights contemplated by the MoI amendment, the subscription agreement provides that CapLev shall be entitled to nominate one individual (not necessarily a member of the consortium) who enX undertakes shall be appointed as a senior executive of a member of the group within 12 months from the subscription date.
- 5.7 The salient features of the transaction, as detailed in the subscription agreement, are set out in **Annexure 3**.

6. FAIRNESS STATEMENT

6.1 In terms of section 5.51(f) of the Listings Requirements, read with section 10 of the Listings Requirements, in the event that:

6.1.1 the specific issue is to a related party/ies, as defined in section 10 of the Listings Requirements; and

6.1.2 the price at which the subscription shares are issued is at a discount to the 30-day VWAP as at the date that the subscription price was agreed in writing between the issuer and the party subscribing for the subscription shares,

then the transaction is subject to a statement by the board confirming whether the specific issue is fair insofar as the shareholders (excluding the related party/ies, as defined in section 10 of the Listings Requirements, if it/they are shareholders) of the issuer are concerned and that the board of directors has been so advised by an independent expert acceptable to the JSE. The board is obliged to obtain a fairness opinion prepared in accordance with Schedule 5 of the Listings Requirements before making the statement contemplated in this paragraph 6.1.

6.2 As:

6.2.1 45% of the issued share capital of CapLev, being the sole shareholder of CapLev Newco, is held by Paul Baloyi, a non-executive director of enX; and

6.2.2 25% of the issued share capital of CapLev, being the sole shareholder of CapLev Newco, is held by O'Flaherty Projects Proprietary Limited, an associate of Paul O'Flaherty, a non-executive director of enX,

the transaction is a specific issue of shares to a related party, as defined in section 10 of the Listings Requirements. Furthermore, as detailed in paragraph 5 of this circular, the subscription price represents a discount measured against the 30-day VWAP at all relevant times.

6.3 Accordingly, as required in terms of sections 5.51(f) of the Listings Requirements, the board has appointed the independent expert, which appointment has been accepted by the JSE and which independent expert has prepared the fairness opinion. The board, having considered the fairness opinion, confirms that the transaction is fair insofar as the shareholders (for the avoidance of doubt, excluding CapLev Newco and/or CapLev) are concerned. The board unanimously recommends that shareholders vote in favour of the resolutions set out in the notice of general meeting necessary to, *inter alia*, effect the implementation of the transaction.

6.4 A copy of the fairness opinion is attached as **Annexure 2**.

7. THE ENX INDEMNITY

7.1 Pursuant to the CapLev shareholders guarantee, each of the CapLev shareholders, as guarantors, have jointly and severally guaranteed all amounts which may become owing by CapLev Newco in connection with a breach by CapLev Newco of the IDC funding agreement, including, *inter alia*, a failure by CapLev Newco for any reason whatsoever to redeem the CapLev Newco preference shares or any of them on the relevant date for redemption under the terms of the IDC funding agreement, with the CapLev shareholders' aggregate liability limited to a maximum amount of R20 000 000. Pursuant to the enX indemnity, enX has in turn indemnified each of the CapLev shareholders from and against any claim made against any of them in terms of the CapLev shareholders guarantee, provided such claim arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of its share price. enX's aggregate liability under the enX indemnity is at all times limited to only such portion of claims made by the IDC which exceeds R5 000 000 in aggregate, and will not exceed R15 000 000.

7.2 The enX indemnity will come into force on the enX indemnity effective date, and shall, subject to its terms, remain in force and effect for a period of four years, whereafter it shall automatically terminate.

7.3 A copy of the enX indemnity is attached as **Annexure 4**.

7.4 The IDC funding agreement

- 7.4.1 The IDC funding agreement provides for the IDC to subscribe for the CapLev Newco preference shares for an amount approximately equivalent to the subscription price, which amount will be used by CapLev Newco for the sole purpose of subscribing for the subscription shares.
- 7.4.2 The CapLev Newco preference shares confer on the IDC as holder thereof a right to receive a cumulative preferential cash dividend in an amount equal to any distribution received by CapLev Newco from the company. CapLev Newco is not permitted to redeem any CapLev Newco preference shares before the expiry of three years and one day after the date of their issue. CapLev Newco is obliged to redeem all the CapLev Newco preference shares on the tenth anniversary of their issue, or on the occurrence of any redemption event, as defined therein, including, *inter alia*, any failure by CapLev Newco to declare and/or pay a dividend to the IDC after receiving a distribution from the company, any breach of certain financial undertakings given by CapLev Newco to the IDC in terms of the IDC funding agreement and/or CapLev shareholders guarantee, and any breach by CapLev Newco of the IDC funding agreement and/or CapLev shareholders guarantee. Any redemption of CapLev Newco preference shares by CapLev Newco shall only be effected by paying a specified required rate of return to the IDC.
- 7.4.3 As one of the CapLev funding agreements, the obligations of CapLev Newco in terms of the IDC funding agreement are secured by the CapLev shareholders guarantee (and, in turn, secured by enX in terms of the enX indemnity). In addition, the obligations of CapLev Newco under the IDC funding arrangements will be secured, *inter alia*, by a cession and pledge of CapLev Newco's shares in the company.

8. REQUIRED APPROVAL

8.1 The transaction

- 8.1.1 In terms of section 5.51(g) of the Listings Requirements, a specific issue of shares requires the approval of the shareholders of the company by way of an ordinary resolution passed by a 75% majority of votes cast by all shareholders present in person or by proxy at the general meeting convened to approve such resolution, on which any parties and their associates participating in the specific issue for cash have not voted or whose votes have not been counted.
- 8.1.2 In terms of:
- 8.1.2.1 section 41(1) of the Companies Act, an issue of shares must be approved by a special resolution of the shareholders of a company if the shares are issued to a person related or inter-related to a director of the company; and
 - 8.1.2.2 section 41(3) of the Companies Act, an issue of shares must be approved by a special resolution of the shareholders of the company if the voting power of the shares to be issued as a result of the transaction will be equal to or exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction.
- 8.1.3 With reference to paragraph 6.2 above, as CapLev may be regarded as being controlled by a director or directors of the company for purposes of section 2 of the Companies Act and as CapLev is the sole shareholder of CapLev Newco, the company deems the issue of the subscription shares to be to a person related or inter-related to a director or directors of the company, as contemplated in section 41(1) of the Companies Act.
- 8.1.4 The voting power of the subscription shares equals 33,35% of the voting power of all ordinary shares held by enX shareholders immediately before the transaction.
- 8.1.5 On this basis, under the notice of the general meeting, shareholders will be requested to authorise and approve the transaction, by way of:
- 8.1.5.1 an ordinary resolution of shareholders passed in terms of section 5.51(g) of the Listings Requirements; and
 - 8.1.5.2 a special resolution of shareholders passed in terms of sections 41(1) and 41(3) of the Companies Act.

8.2 enX indemnity

- 8.2.1 Section 44 of the Companies Act provides that, except to the extent that the memorandum of incorporation of the company provides otherwise, the board may authorise the company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any securities issued or to be issued by the company. The provision of such financial assistance must, however, be given pursuant to an employee share scheme, or be approved by a special resolution of shareholders.
- 8.2.2 Section 45 of the Companies Act provides that, except to the extent that the memorandum of incorporation of the company provides otherwise, the board may authorise the company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director of the company, to a related or inter-related company or corporation, or to a member of a related or inter-related corporation. The provision of such financial assistance must, however, be given pursuant to an employee share scheme, or be approved by a special resolution of shareholders.
- 8.2.3 The enX indemnity constitutes the provision of financial assistance by enX in terms of both sections 44 and 45 of the Companies Act, and is not given pursuant to an employee share scheme. Accordingly, the approval of the enX indemnity by way of a special resolution of shareholders is required in terms of sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act.
- 8.2.4 On this basis, under the notice of the general meeting, shareholders will be requested to authorise and approve the provision of financial assistance as contemplated under the enX indemnity:
- 8.2.4.1 by way of a special resolution passed in terms of section 44 of the Companies Act; and
 - 8.2.4.2 by way of a special resolution passed in terms of section 45 of the Companies Act.
- 8.2.5 As required in terms of sections 44(3)(b) and 45(3)(b) of the Companies Act, the board has confirmed that it is satisfied that:
- 8.2.5.1 immediately after granting the enX indemnity the company would satisfy the solvency and liquidity test contemplated in section 4 of the Companies Act, in that:
 - 8.2.5.1.1 the assets of the company, as fairly valued, shall equal or exceed the liabilities of the company, as fairly valued; and
 - 8.2.5.1.2 it appears that the company will be able to pay its debts as and when they become due in the ordinary course of business for a period of 12 months after the date of granting the enX indemnity; and
 - 8.2.5.2 the terms under which the enX indemnity is proposed to be granted are fair and reasonable to the company.

8.3 Amendment of the MoI and nomination of directors

- 8.3.1 As detailed in paragraph 5.4.1 of this circular, the transaction remains subject to the amendment of the memorandum of incorporation, so as to record the right of CapLev Newco (as set out in the subscription agreement) following the subscription date and for so long as it is a significant shareholder of enX, to nominate, for appointment to the board, the CapLev Newco nominee, and one alternate director to serve in substitution for the CapLev Newco nominee.
- 8.3.2 Pursuant to this right, and in terms of clause 7.2 of the subscription agreement, CapLev Newco has nominated Paul Baloyi, being a black person who is not ineligible or disqualified to be a director as contemplated in sections 69(7) and (8) of the Companies Act, as the CapLev Newco nominee; it being noted that, as Paul Baloyi is currently a director of the company, no further election or appointment in this regard is required.
- 8.3.3 The alternate director to serve in substitution for the CapLev Newco nominee will be nominated in due course. In terms of the existing memorandum of incorporation, any one of the directors of the company is entitled, subject to the written approval of the majority of the directors of the company, to appoint any person as a director in terms of section 66(4)(a)(i) of the Companies Act, provided that such appointment must be approved by the shareholders at the next annual general meeting. In order to extend such right to the appointment of alternate directors in terms of section 66(4)(a)(iii) of the Companies Act, an amendment of the memorandum of incorporation is required. Any consequent appointment of an alternate director must similarly be approved by the shareholders at the next general or annual general meeting.

- 8.3.4 In terms of clause 40.2 thereof, the memorandum of incorporation may only be altered or amended:
- 8.3.4.1 in compliance with a court order on the basis set out in section 16(1)(a) of the Companies Act; or
- 8.3.4.2 by way of special resolution of the shareholders in compliance with the provisions of section 16(1)(c) of the Companies Act, read with the provisions of the MoI and the remaining provisions of the Companies Act.
- 8.3.5 In terms of Schedule 10.16(b) of the Listings Requirements, the appointment of all directors is subject to shareholder approval at any general meeting.
- 8.3.6 On this basis, under the notice of the general meeting, shareholders will be requested to authorise and approve the MoI amendment, by way of a special resolution passed in terms of clause 40.2 of the existing MoI.

9. GENERAL MEETING

A general meeting of enX shareholders will be held at 10:00 on Tuesday, 14 July 2015 at the offices of the company for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve the transaction, the enX indemnity and the MoI amendment contemplated above. A notice convening such general meeting is attached hereto and forms part of this circular.

10. THE COMPANY'S SHARE CAPITAL

- 10.1 The authorised and issued share capital of enX as at the last practicable date is as follows:

	R'000
<i>Authorised</i>	
1 000 000 000 ordinary share of no par value each	–
<i>Issued</i>	
421 689 018 ordinary shares of no par value each	–
Stated capital	350 927
Total issued	350 927

No shares are held in treasury.

- 10.2 The authorised and issued share capital of enX after the implementation of the transaction is as follows:

	R'000
<i>Authorised</i>	
1 000 000 000 ordinary shares of no par value each	–
<i>Issued</i>	
562 327 001 ordinary shares of no par value each	–
Stated capital	561 884
Total issued	561 884

No shares will be held in treasury.

- 10.3 All the authorised and issued shares are of the same class and rank *pari passu* in every respect and accordingly, no shares have any special right to dividends, capital or profits or any other right, including redemption rights and rights on liquidation or distribution of capital assets.
- 10.4 The variation of any preferences, rights, limitations and other terms associated with any class of share may be enacted only by an amendment of the memorandum of incorporation approved by special resolution of the ordinary shareholders.
- 10.5 The share price history of enX's shares is set out in **Annexure 5**.

11. PRO FORMA FINANCIAL EFFECTS

- 11.1 The *pro forma* financial effects of the transaction on enX's statement of financial position, net asset value per share, net tangible asset value per share, statement of comprehensive income, earnings per share, headline earnings per share, diluted earnings per share and diluted headline earnings per share are set out below.
- 11.2 The *pro forma* financial effects are the responsibility of the directors of enX and have been prepared for illustrative purposes only, to provide information on how the transaction may have impacted on the historical financial results of enX for the six months ended 28 February 2015.
- 11.3 The *pro forma* statement of comprehensive income and *pro forma* statement of financial position of enX for the six months ended 28 February 2015, and the explanatory notes thereto, are set out in **Annexure 6** to this circular and should be read in conjunction with the independent reporting accountants' report thereon contained in **Annexure 7**.
- 11.4 Due to its nature, the *pro forma* financial information (collectively, the *pro forma* financial effects, *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income) may not give a fair reflection of enX's financial position, changes in equity, results of operations and cash flows subsequent to the transaction.
- 11.5 The table below reflects the *pro forma* financial effects of the transaction on an enX shareholder:

	<i>Before the specific issue</i>	<i>After the specific issue</i>	<i>% change</i>
Net asset value per share (cents)	104.19	116.01	11.3
Net tangible asset value per share (cents)	70.53	90.77	28.7
Earnings per share (cents)	(1.35)	(0.33)	75.52
Diluted earnings per share (cents)	(1.35)	(0.33)	75.52
Headline earnings per share (cents)	2.33	2.43	4.26
Diluted headline earnings per share (cents)	2.33	2.43	4.26

Notes and assumptions:

- The figures set out in the "Before the specific issue" column have been extracted from the published interim results of enX for the six months ended 28 February 2015.
- The figures set out in the "After the specific issue" column above reflect the *pro forma* effects on the published interim results of enX resulting from the specific issue.
- Subject to note 4 below, it is the company's intention to apply the net amount received from the specific issue for acquisition purposes and not in the ordinary course of its business. Until applied, funds will be held in an interest-bearing account.
- The following adjustments have been applied and are reflected in the *pro forma* financial effects:
 - Transaction costs of R778,076 have been allocated to the stated capital in accordance with IAS 32.
 - Interest received has been calculated at a pre-tax rate of 5,25% p.a.
 - R27 949 854 of funds received will be used to repay bridge finance used to fund working capital that supports the distribution of Mobil lubricants for ExxonMobil Petroleum and Chemical BVBA's Automotive and Industrial line of business in South Africa, Lesotho and Swaziland, as well as in respect of certain Strategic Global Accounts in selected Sub-Saharan African countries, by Centlube (the "**Mobil distributorship**").The transaction has been assumed to have taken place at a fair market value regardless of the subscription price being at a discount to the current enX traded share price and the indemnity provided by enX. As a consequence no discount or option expense has been recognised as may have been required in terms of IFRS 2. This assumption is supported by the independent expert's opinion detailed in **Annexure 2**.

12. DIRECTORS

- 12.1 In terms of the subscription agreement, following the subscription date, CapLev Newco shall for so long as it is a significant shareholder of enX be entitled to nominate one director for appointment to the board, which director must be a black person.
- 12.2 The emoluments of the current directors of the company will not be affected by the transaction.

13. DIRECTORS' INTERESTS IN ENX SHARES

- 13.1 The direct and indirect beneficial interests of directors (and their associates), including any director who resigned during the last 18 months, in the issued share capital of enX as at the last practicable date were as follows.

Director	Direct holding	Indirect holding	Non-beneficial interest	Total shares held	% of issued shares
DS Brouze#	36 089 945	61 450 633*	500 000**	98 040 578	23.25
PD Mansour	–	6 145 064***	–	6 145 064	1.46
JS Friedman	–	6 145 064***	–	6 145 064	1.46
SB Joffe	–	43 015 445****	–	43 015 445	10.20
Total	–	55 305 573	–	55 305 573	13.12

DS Brouze resigned as a non-executive director with effect from 14 May 2014.

* Held indirectly by virtue of a 50% shareholding in Ricophase.

** 250 000 shares held by each of N Brouze and JJ Brouze, the children of David Brouze.

*** Held indirectly by virtue of a 5% shareholding in Ricophase.

**** Held indirectly by virtue of a 35% shareholding in Ricophase.

- 13.2 Ricophase was issued a further 13 896 045 enX shares on 18 December 2014 pursuant to the Centlube acquisition. These shares are included in the numbers reflected above. There have been no other dealings in enX shares by the directors between 31 August 2014 and the last practicable date.

14. DIRECTORS' INTERESTS IN TRANSACTIONS

14.1 Directors' interests in the transaction and the enX indemnity

- 14.1.1 The directors of enX, including any director who resigned during the last 18 months, hold the following interests in CapLev. Upon the implementation of the transaction, CapLev Newco, being the wholly-owned subsidiary of CapLev, will effectively control 25.01% of the issued share capital of enX. Accordingly, such directors have a direct beneficial interest, and a personal financial interest, in the transaction.

Director	Percentage of issued share capital of CapLev (%)
Paul Baloyi	45
Paul O'Flaherty*	25
Total	70

* Held indirectly through O'Flaherty Projects Proprietary Limited.

- 14.1.2 The directors indicated in paragraph 14.1 have a personal financial interest in the enX indemnity, in that the enX indemnity constitutes the provision of financial assistance to such directors as contemplated in sections 44 and 45 of the Companies Act.
- 14.1.3 As required in terms of section 75(5) of the Companies Act, all directors who have a personal financial interest in the transaction and/or the enX indemnity, namely Paul Baloyi and Paul O'Flaherty, have not taken part in the consideration by the board of either the transaction or the enX indemnity.

14.2 Directors' interests in other relevant transactions

- 14.2.1 The directors of enX, including any director who resigned during the last 18 months hold the following interests in Ricophase. Ricophase effectively controlled 24,95% of the issued share capital of Centlube Holdings prior to such effective interest being acquired by enX pursuant to the Centlube acquisition.

Director	Beneficial direct interests (number of shares)	Beneficial indirect interests (number of shares)	Percentage of issued share capital (%)
Jarrold Friedman	–	6	5
Paul Mansour	6	–	5
Steven Joffe	–	42	35
David Brouze*	–	60	50
Total	6	108	95

* David Brouze resigned as a director of enX with effect from 14 May 2014.

Christian Neuberger, a director of a major subsidiary of enX, directly holds 6 shares in Ricophase, representing 5% of the issued share capital of Ricophase.

14.2.2 A management agreement was entered into between enX and JFN Management Proprietary Limited (Registration number 2011/008234/07) (“**JFN Management**”) (the shareholders and directors of which are Steven Joffe, Jarrod Friedman, Christian Neuberger and Paul Mansour) on or about 18 April 2013, in terms of which JFN Management, commencing on 15 April 2013 (the “**commencement date**”), provides services to enX as are necessary or requisite to discharge enX’s executive functions, and undertakes to generally do or cause to be done whatever is necessary for the due performance of its mandate to manage the business of the enX group, for a monthly management fee of R157 304, excluding incentives and VAT, if applicable, as at the date of this circular. The management agreement will automatically terminate on the third anniversary of the commencement date (being 14 April 2016), unless terminated earlier by:

14.2.2.1 the company, for any reason whatsoever, on 60 days’ written notice, or on written notice either (i) on the occurrence of an act of fraud or wilful misconduct on the part of JFN Management, (ii) in circumstances where summary dismissal of JFN Management (if JFN Management were an executive employee of the company) is justified or (iii) if there is a change in control in the shareholding of JFN Management, or on 14 days’ written notice on the occurrence of an event of default (being either an unresolved failure to comply with the agreement, where a compromise or arrangement with creditors is entered into, in circumstances of judicial management, liquidation or business rescue proceedings or on failure to pay any amounts due in terms of the agreement) on the part of JFN Management; or

14.2.2.2 JFN Management, for any reason whatsoever, on 60 days’ written notice, or on 14 days’ written notice on the occurrence of an event of default on the part of the company.

Unless the agreement is terminated prior to the first anniversary of its commencement, on the earlier of (i) the termination of the agreement (in the absence of an event of default on the part of JFN Management) or (ii) 31 December 2015 (the earlier of (i) and (ii) being referred to herein as the “**determination date**”), JFN Management will become entitled to an additional fee, the quantum of which is to be referenced off any appreciation in the company’s share price over the period between the commencement date and the determination date.

14.2.3 In terms of a lease agreement entered into on or about 9 April 2009 and amended on or about 17 April 2015, between enX and 30 – 38 Jacoba Alberton Proprietary Limited (“**30 – 38 Jacoba**”) (of which the David Brouze Trust is the sole shareholder), enX has leased the premises situate at the remaining extent of portions 92 and 127 of the Farm Elandsfontein 108, measuring approximately 16 687 square metres in extent, from 30 – 38 Jacoba until 28 February 2025 and for a monthly rental of R1 098 210 per month as at the date of this circular.

14.2.4 In terms of a lease agreement entered into on or about 9 April 2009 between enX and Austrian Woodworking Machinery Proprietary Limited (“**Austrian Woodworking**”) (of which the David Brouze Trust is the sole shareholder), enX has leased the premises situate at 1125 Leader Avenue Stormill Extension 4, Roodepoort, measuring approximately 9 911 square metres in extent, from Austrian Woodworking for a period of 10 years, expiring on 1 September 2019 for a monthly rental of R328 022 per month as at the date of this circular.

14.2.5 O’Flaherty Projects Proprietary Limited (“**O’Flaherty Projects**”) entered into an advisory agreement with enX on or about 30 September 2013, in terms of which O’Flaherty Projects has been appointed, for an indefinite period, as strategic advisor to enX and provides enX with the following advisory services:

14.2.5.1 the provision of a strategic direction for the enX group generally;

14.2.5.2 the identification and introduction of potential acquisition opportunities;

14.2.5.3 the mentoring of the chief executive officers and other senior executives employed in the enX group;

14.2.5.4 the assessment of capital investment decisions and acquisitions;

14.2.5.5 the introduction to potential business partners and other stakeholders;

14.2.5.6 general input in respect of management;

14.2.5.7 any project specific assignment agreed to between the parties; and

14.2.5.8 any other strategic advice as may be reasonably required by enX from time to time, which falls within the scope of O’Flaherty Projects.

As at the date of this circular, O’Flaherty Projects is paid a monthly fee of R35 000 in consideration for the above services. The advisory agreement may be terminated by either party on three months’ written notice, with no additional fees payable upon such termination.

Paul O’Flaherty, a non-executive director of enX, is a director and a shareholder of O’Flaherty Projects.

14.3 Save as set out in this paragraph 14, no director of the group, including any director who has resigned during the last 18 months, has any direct or indirect beneficial interest in the transaction, the enX indemnity or any transactions effected by enX during the current or preceding financial year or effected during an earlier financial year which remains in any respect outstanding or unperformed.

14.4 Save as set out in this paragraph 14, there is no relationship between any promoter, manager, director, management company (or its subsidiary or holding company) and any other person where a duty in relation to that other person may be seen to conflict with a duty to enX.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 9 of this circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no details that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and this circular contains all information required by law and the Listings Requirements.

16. LITIGATION STATEMENT

Save as set out above, as at the last practicable date, there were no legal or arbitration proceedings, including any such proceedings which are pending or threatened, of which the directors of enX are aware and which may have or have had during the 12-month period preceding the date of issue of this document, a material effect on the financial position of the group.

17. CONSENTS

Each of the corporate advisor, independent expert, the transfer secretaries, legal advisor, sponsor and the reporting accountants have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

18. EXPENSES

18.1 The estimated total amount of expenses (excluding VAT) relating to the transaction which have been incurred by the company or that are expected to be incurred are set out below:

	Payable to	Rand
Corporate advisor and sponsor fees	Java Capital	400 000
Independent expert fees	BDO	100 000
Reporting accountants' fee	Grant Thornton	50 000
Legal advisory fee	Webber Wentzel	100 000
JSE – Documentation fee		13 358
– Listing fee		25 582
Announcements		50 000
Printing costs payable	Ince	39 136
Total		778 076

18.2 enX has not incurred any preliminary expenses relating to the transaction within the three years preceding the date of the transaction.

19. DOCUMENTS AVAILABLE FOR INSPECTION

The documents listed below will be available for inspection at the offices of the company, 202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196, during normal office hours on business days from the date of issue of this circular until the date of the general meeting:

- 19.1 the existing memorandum of incorporation of the company and its subsidiaries;
- 19.2 the revised memorandum of incorporation of the company, as proposed to be amended pursuant to the MoI amendment;
- 19.3 the subscription agreement, including the first addendum thereto and the confirmation of subscription price;
- 19.4 the IDC funding agreement;
- 19.5 the enX indemnity;
- 19.6 the fairness opinion;
- 19.7 the reporting accountants' report;
- 19.8 the consent letters referred to in paragraph 17 above; and
- 19.9 the audited financial statements of enX for the periods ended 31 August 2012, 2013 and 2014.

For and on behalf of enX Group Limited

This circular was signed in Johannesburg on behalf of all the directors in terms of powers of attorney granted on or about 5 June 2015.

Signed on behalf of the board

Jarrold Friedman

15 June 2015

CAPLEV SHAREHOLDERS

	Shareholding in CapLev
Paul Cambo Baloyi	45%
O'Flaherty Projects Proprietary Limited (of which Paul O'Flaherty is a director)	25%
Nombulelo Thokozile Moholi	20%
Alon Fowler	5%
Paul Kiyingi Kibuuka	2.5%
Letu Reuben Matlala	2.5%

INDEPENDENT EXPERT'S FAIRNESS OPINION

The Directors
enX Group Limited
202D, 11 Crescent Drive
Melrose Arch
2196

5 June 2015

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO enX GROUP LIMITED REGARDING THE SPECIFIC ISSUE OF enX ORDINARY SHARES FOR CASH TO CAPLEV NEWCO, A WHOLLY-OWNED SUBSIDIARY OF CAPLEVERAGE PROPRIETARY LIMITED, FOR AN AGGREGATE SUBSCRIPTION PRICE OF R213 769 734.16 AND THE PROVISION OF FINANCIAL ASSISTANCE TO CAPLEV NEWCO IN THE FORM OF A LIMITED INDEMNITY

INTRODUCTION

enX Group Limited ("enX" or "the Company") announced on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on 16 March 2015, a proposed equity capital raising, whereby enX, CapLeverage Proprietary Limited ("CapLev") and CapLev's wholly-owned subsidiary, Samvenice Trading 1 Proprietary Limited ("CapLev NewCo"), entered into a subscription and relationship agreement on 9 March 2015 ("the Subscription Agreement") in terms of which, subject to the fulfilment or waiver, if applicable, of the suspensive conditions ("the Conditions Precedent"), CapLev NewCo will, with effect from the first business day following the day on which the Conditions Precedent have been fulfilled or waived, if applicable ("the Subscription Date"), subscribe for 140 637 983 ordinary shares of no par value ("enX Shares") in the issued share capital of enX (representing, after this issue, approximately 25,01% of enX's entire issued share capital) ("the Subscription Shares") for a subscription price of R1.52 per Subscription Share, being in aggregate R213 769 734.16 ("the Subscription Price") ("the Specific Issue"). The Subscription Price is to be funded, *inter alia*, by the allotment and issue of 415 cumulative redeemable preference shares of no par value in the share capital of CapLev NewCo ("CapLev NewCo Preference Shares") to the Industrial Development Corporation of South Africa Limited ("IDC"). enX has granted a limited indemnity in terms of which enX indemnifies and holds each of the CapLev shareholders harmless from and against certain claims made in terms of CapLev NewCo's funding arrangements with the IDC, with the aggregate liability of enX in terms of such indemnity not exceeding R15 000 000 ("the enX Indemnity") (the Specific Issue and the granting of the enX Indemnity are together "the Transaction").

The salient terms of the Specific Issue are as follows:

- On the Subscription Date, CapLev NewCo will subscribe for the Subscription Shares at the Subscription Price;
- The Subscription Price represents a discount of:
 - 19%, measured against the 30-day VWAP as at the date on which the pricing applicable to the subscription shares, to be agreed with the BBBEE consortium, was determined and authorised by the board (being 18 November 2014);
 - 40%, measured against the 30-day VWAP as at the date on which the subscription agreement was signed (being 9 March 2015); and
 - 40% measured against the 30-day VWAP as at the date of the cautionary announcement (being 16 March 2015).

Full details of the Transaction are contained in the circular to enX shareholders ("the Circular") to be dated on or about 15 June 2015, which will include a copy of this letter.

FAIRNESS OPINION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

As:

- 45% of the issued share capital of CapLev, being the sole shareholder of CapLev Newco, is held by Paul Baloyi, a non-executive director of enX; and
- 25% of the issued share capital of CapLev, being the sole shareholder of CapLev Newco, is held by O’Flaherty Projects Proprietary Limited, an associate of Paul O’Flaherty, a non-executive director of enX,

the transaction is a specific issue of shares to a related party, as defined in section 10 of the JSE Listings Requirements (“the Listings Requirements”).

In terms of section 5.51(f) of the Listings Requirements, as the Transaction entails the issue of shares to related parties at a 40% discount to the 30-day VWAP as at the date on which the pricing was agreed, being 9 March 2015, the directors of enX are required to provide the JSE with written confirmation from an independent professional expert that the terms of the Transaction are fair insofar as the shareholders of enX are concerned (“the Fairness Opinion”).

BDO Corporate Finance has been appointed by the board of directors of enX to provide the Fairness Opinion with regard to the Transaction.

RESPONSIBILITY

Compliance with the Listings Requirements is the responsibility of the Directors. Our responsibility is to report to the directors and shareholders of enX on the fairness of the terms of the Transaction.

EXPLANATION AS TO HOW THE TERM “FAIR” APPLIES IN THE CONTEXT OF THE TRANSACTION

Schedule 5.7 of the Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. A transaction will generally be considered fair to a company’s shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value ceded by a company.

The Transaction may be said to be fair to the shareholders of enX if the price at which enX Shares are issued is within a fair market value range for an enX Share. In considering the price at which the enX Shares are issued, we have also considered the financial implications of enX Indemnity and whether there is a cost to this indemnity. Any value attributed to the enX Indemnity would be deducted from the aggregate Subscription Price.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- The terms and conditions of the Transaction, as set out in the Circular;
- The Subscription Agreement and enX Indemnity;
- The preference share subscription agreement concluded between the IDC, CapLev and CapLev Newco on or about 9 March 2015, in terms whereof the IDC will subscribe for, and CapLev Newco will allot and issue to the IDC, the CapLev Newco Preference Shares, with the subscription price payable for such CapLev Newco preference shares being compulsorily applied to settle the Subscription Price (the “IDC Funding Agreement”);
- The various finance and security agreements to be entered into amongst CapLev Newco, as borrower and IDC, as lender, in terms of which CapLev Newco would be able to raise a minimum of R207 956 975 towards the funding of the subscription price, including but not limited to the IDC Funding Agreement (“the CapLev Funding Agreements”);
- An agreement entered or to be entered into between the IDC and each of the CapLev shareholders, as guarantors, in terms of which, *inter alia*, each of the CapLev shareholders jointly and severally guarantee amounts which may become owing by CapLev Newco in connection with a breach by CapLev Newco of the IDC Funding Agreement, with the CapLev shareholders’ aggregate liability being limited to a maximum amount of R20 000 000 (“the CapLev Shareholders Guarantee”);
- Integrated Audited Annual Reports of enX for the years ended 31 August 2012, 2013 and 2014;
- Unaudited management accounts of enX for the period ended 28 February 2015;
- Forecast financial information of enX on a consolidated basis, including a split by operation for the five year period ended 31 August 2019;

- Precedent transactions of a similar nature;
- Discussions with enX directors and management regarding the rationale for the Transaction;
- Discussions with enX directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- Share price information of enX over the last 12 months to assess the relative liquidity and relative volatility of enX shares; and
- Publicly available information relating to enX, comparable publicly traded companies and the markets in which enX and its peers operate.

The information above was secured from:

- Directors and management of enX and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing enX.

PROCEDURES AND CONSIDERATIONS

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the Transaction:

- Reviewed the terms and conditions of the Transaction;
- Reviewed the audited and unaudited financial information related to enX, as detailed above;
- Reviewed and obtained an understanding from management as to the forecast financial information of enX and assessed the achievability thereof by considering historic information as well as macro-economic and sector-specific data;
- Compiled consolidated forecast free cash flows for enX by using the historic and forecast financial information as detailed above. Applied BDO Corporate Finance's assumptions of cost of capital to the consolidated forecast cash flows to produce a consolidated discounted cash flow valuation for enX;
- Compiled a capitalisation of maintainable earnings valuation for enX by using adjusted consolidated historical and forecast financial information and applied BDO Corporate Finance's calculated earnings multiples based on market comparables, adjusted for factors specific to enX relative to listed peers to revenue, earnings before interest and tax ("EBIT"), earnings before interest, taxation, depreciation and amortisation ("EBITDA") and profit after tax ("PAT");
- Performed a sensitivity analysis on key assumptions included in the discounted cash flow valuation, specifically related to cost of capital and growth in the business;
- Compiled a financial model to determine the outstanding amount of the CapLev Newco Preference Shares after four years from the effective date of the enX Indemnity ("the enX Indemnity Effective Date");
- Reviewed the historic prices and volumes and calculated the historic volatility of an enX Share;
- Considered the terms of the CapLev Newco Preference Shares and corresponding terms for market-related instruments;
- Performed a valuation of the implied option inherent in the enX Indemnity by applying a Black-Scholes option pricing model and a Monte Carlo option pricing model;
- Performed a sensitivity analysis on key assumptions included in the option valuation, specifically relating to volatility and forecast dividends;
- Assessed the long-term potential of enX;
- Evaluated the relative risks associated with enX and the industries in which it operates;
- Considered the Department of Trade and Industry's Code of Good Practice for B-BBEE and enX's latest BEE scorecard;
- Reviewed certain publicly available information relating to enX, comparable publicly traded companies and the industries in which the Company operates that we deemed to be relevant, including company announcements and media articles;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industries in which enX operates, and to analyse external factors that could influence the business; and
- Held discussions with the directors and management of enX and their advisers as to their strategy and the rationale for the Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the Transaction will be legally enforceable;
- That the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of enX; and
- That reliance can be placed on the financial information of enX.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of enX and the economic environment in which the Company operates.

LIMITING CONDITIONS

This opinion is provided to the directors and shareholders of enX in connection with and for the purposes of the Transaction. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of enX shareholders.

Individual shareholders' decisions regarding the Transaction may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Transaction.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Transaction will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of enX and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

INDEPENDENCE

We confirm that we have no direct or indirect interest in enX shares or the Transaction. We also confirm that we have the necessary qualifications and competence to provide the fair opinion on the Transaction.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the Transaction.

VALUATION APPROACH

Valuation of enX Shares

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 comprising:

- Power;
- Fuel and Chemicals;
- Wood; and
- enX Group Limited ("the Head Office"),

(collectively "the enX Operations").

The valuation of enX was performed by applying the discounted cash flow methodology. In addition, we considered the market approach (based on financial data for comparable publicly traded companies) as a secondary methodology to support the results of the discounted cash flow valuation. The valuation of enX was performed on a consolidated basis, using consolidated cash flow forecasts, which were based on the cash flow forecasts for each of the enX Operations.

The valuation was performed taking cognisance of risk and other market and industry factors affecting enX.

Key internal value drivers to the discounted cash flow valuations of enX included the discount rate, revenue growth, gross profit margins, growth in operating expenses, investment in working capital and capital expenditure requirements.

External value drivers include key macro-economic parameters such as, GDP growth, interest rates, exchange rates, headline inflation rates, and prevailing market and industry conditions in the sectors in which the enX Operations operate were considered in assessing the forecast cash flows and risk profile of enX. The enX Operations are highly dependent on the demand for the products and services provided by each division which is driven primarily by the following factors:

- Power:
 - New Way Power: Increase in electricity demand, uncertainty of electrical supply, growth of key sectors (i.e. Information and communications technology (“ICT”), food retail, hospitals, transport and government services);
 - Neptune Plant Hire: Increase in electricity demand, uncertainty of electrical supply, growth of key sectors (i.e. marine, commercial, engineering, mining, entertainment and construction); and
 - Power O2: Growth in the diesel generator manufacture, fire pump and water pump sectors;
- Wood:
 - Level of manufacturing automation in existing markets, level of local furniture import substitution linked to currency exchange rates, growth opportunities in emerging African markets, emergence of new markets in aluminium, composites and glass sectors, level of technical support required from preventative maintenance programmes;
- Centlube:
 - Demand for heavy duty machines, industrial equipment, transport fleets, passenger cars and the extent of usage thereof;
 - Demand for efficiency improvements across all markets; and
 - Demand in the power generation, transportation and food processing industries. The business is highly dependent on the demand for the products provided, which demand is driven primarily by the general and industrial market and the brand and quality of oil products available for supply.

The base case assumptions used for the DCF valuation are as follows:

enX Operation	Revenue growth ¹	Gross profit margin ²	Operating expense growth ³
Power	–3.6% to 11.3%	34.6%	7.4%
Fuel and Chemicals	16.1%	19.2%	7.6%
Wood	6.0%	34.8%	9.6%
Head Office	5.6%	n/a	7.2%

Note 1: Compound annual growth rate in revenue over forecast period (i.e. FY15-FY19). New Way Power is currently experiencing significant demand due to Eskom load shedding. Since the end of April, two shifts have been introduced and this period of above-average demand is expected to continue for the next 18 months. As such New Way Power may experience negative revenue growth from FY16 to FY19 due to the current high levels of demand. Revenue growth of 11,3% is forecast for Neptune and 7.1% for Power O2.

Note 2: Sustainable gross profit margin.

Note 3: Annual growth rate.

A base case weighted average cost of capital (“WACC”) of 16,1% was utilised in the valuation of enX. Sustainable net working capital of 20,8% and capital expenditure of 1,5% of consolidated revenue was assumed.

In addition sensitivity analyses were performed in respect of revenue growth and the weighted average cost of capital by increasing and decreasing the revenue growth rates by a maximum of 2% and the WACC range by a maximum of 1%. The revenue growth rate and WACC sensitivity analysis did not indicate a sufficient effect on the valuation of enX to alter our opinion in respect of the fairness of the Transaction.

Valuation of enX Indemnity

The CapLev Shareholders have, on a joint and several basis, guaranteed to IDC the payment of all amounts which may become owing by CapLev Newco to IDC in connection with a breach by CapLev Newco of its obligations under the CapLev Funding Agreement, with the CapLev shareholder's aggregate liability being limited to a maximum amount of R20 000 000. enX in turn, has granted a limited indemnity to each of the CapLev shareholders, for a period of four years (calculated from the enX Indemnity Effective Date), in terms of which enX indemnifies and holds each of the CapLev Shareholders harmless from and against any claim made against any of them in terms of the CapLev Shareholders Guarantee, provided such claim arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of its share price, with enX's liability at all times limited to only such portion of the claims made against any of the CapLev shareholders in terms of the CapLev shareholders guarantee which exceeds R5 000 000, and with the aggregate liability of enX limited to R15 000 000.

The substance of the enX Indemnity is a simulated call option on enX Shares, which option will lapse four years after the enX Indemnity Effective Date. In order to arrive at a fair value of the option, we employed a Black-Scholes option pricing model and a Monte Carlo option pricing model to determine the fair value of the implied option inherent in the enX Indemnity.

Key value drivers of the Black-Scholes and Monte Carlo option pricing model valuation include the:

- a risk free rate of 7,7421% based on the yield for zero-coupon government bonds with a remaining term approximating the term of the enX Indemnity;
- the closing market price of an enX Share of R2.10 on 26 May 2015 as well as 30-day VWAP for enX Shares of R2.18 up to 26 May 2015;
- the forecast dividends in respect of an enX Share;
- the period of the enX Indemnity;
- the forecast outstanding balance in respect of the CapLev Newco Preference Shares (exercise price) after four years from the enX Indemnity Effective Date based on the terms of the CapLev Newco Preference Shares specified in the IDC Funding Agreement; and
- the expected volatility of an enX Share of 37.902% (based on the actual daily volatility of enX Shares over the 260 days up to 26 May 2015).

The key internal value driver is the amount of forecast dividends on enX Shares over the term of the enX Indemnity.

Key external value drivers include the forecast headline inflation rate and volatility of enX Shares.

In addition sensitivity analyses were performed in respect of volatility and forecast dividends by applying a volatility range of 30% to 40% and a dividend payout rate of between 0% and 40% of after-tax profits.

OPINION

BDO Corporate Finance has considered the terms and conditions of the Transaction and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction are fair to the enX shareholders. Our opinion is necessarily based upon the information available to us up to 5 June 2015, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Transaction have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis

Director

22 Wellington Road
Parktown, 2193

SALIENT FEATURES OF THE SUBSCRIPTION AGREEMENT

Salient features of the subscription agreement, as amended by the first addendum to the subscription agreement concluded between the Company, CapLev and CapLev Newco on or about 28 May 2015, are set out below. Complete copies of the subscription agreement the first addendum thereto and the confirmation of subscription price are available for inspection as detailed in paragraph 18.2 of the circular.

1. “Definition and interpretation

In this Agreement, unless the context indicates otherwise, the words and expressions set out below shall have the meanings assigned to them and cognate expressions shall have a corresponding meaning, namely:

- | | | |
|------|------------------------------------|---|
| 1.1 | “Agreement” | this subscription and relationship agreement between the Parties, including the schedule(s) hereto; |
| 1.2 | “BBBEE” | broad-based black economic empowerment; |
| 1.3 | “BBBEE Act” | the Broad-Based Black Economic Empowerment Act, 2003, as amended; |
| 1.4 | “BBBEE Codes” | the Codes of Good Practice on BBBEE, as amended from time to time; |
| 1.5 | “BEE Entity” | any Entity which is controlled by black people and/or in which more than 50% of the economic interests vest in black people as defined in the BBBEE Act; |
| 1.6 | “Board” | the board of directors of enX from time to time; |
| 1.7 | “Business Day” | any day other than a Saturday, Sunday or any public holiday identified in the Public Holidays Act, 1994; |
| 1.8 | “CapLev” | CapLev Proprietary Limited, registration number 2012/104071/07, a private company with limited liability incorporated under the laws of the RSA; |
| 1.9 | “CapLev Funding Agreements” | the various finance and security agreements to be entered into amongst CapLev Newco, as borrower and IDC, as lender, in terms of which CapLev Newco would be able to raise a minimum of R207 956 975 towards the funding of the Subscription Price; |
| 1.10 | “CapLev MOIs” | the memoranda of incorporation of CapLev and CapLev Newco; |
| 1.11 | “CapLev Newco” | Samvenice Trading 1 Proprietary Limited, registration number 2014/234760/07, a private company with limited liability incorporated under the laws of the RSA and a wholly-owned subsidiary of CapLev; |
| 1.12 | “Companies Act” | the Companies Act, 2008, as amended; |
| 1.13 | “Deadline Date” | 31 August 2015 or such later date as the Parties may agree in writing prior to such date; |
| 1.14 | “enX” | enX Group Limited, registration number 2001/029771/06, a public company with limited liability incorporated under the laws of the RSA; |
| 1.15 | “Entity” | any association, business, close corporation, company, concern, enterprise, firm, partnership, person, trust, undertaking, voluntary association or other similar entity whether incorporated or not incorporated; |
| 1.16 | “Group” | enX and each of its subsidiaries as contemplated in section 3 of the Companies Act; |
| 1.17 | “IDC” | the Industrial Development Corporation of South Africa Limited, a corporation established under section 2 of the Industrial Development Corporation Act, 1940; |

1.18	“MOI Amendment”	the amendment of the existing memorandum of incorporation of enX as contemplated in section 16(5)(b) of the Companies Act for the purpose of incorporating the right of CapLev Newco to nominate a director and an alternate director for appointment to the Board as contemplated in clause 7.1;
1.19	“Parties”	enX, CapLev Newco and CapLev and “Party” means any one of them, unless the context requires otherwise;
1.20	“RSA”	the Republic of South Africa, comprising the nine provinces identified in section 103 of the Constitution of the Republic of South Africa, 1996;
1.21	“Signature Date”	the date of signature of this Agreement or in the event of it having been signed on different dates, the date of the last signature;
1.22	“Significant Shareholder”	in respect of any company, a shareholder who directly or indirectly holds more than 15% of the ordinary shares in the issued share capital of such company or who is entitled to exercise more than 15% of the voting rights exercisable on matters to be decided by the shareholders of such company;
1.23	“Subscription Date”	the first Business Day following the day on which all the Suspensive Conditions have been satisfied or waived or such other date as the Parties may agree to in writing;
1.24	“Subscription Price”	an aggregate amount of R210 956 974.50 (calculated at R1.50 per Subscription Share);
1.25	“Subscription Shares”	140 637 983 ordinary shares with no par value in the authorised share capital of enX, to be issued by enX to CapLev Newco pursuant to this Agreement, representing, after their issue, approximately 25.01% of all the ordinary shares in the issued share capital of enX; and
1.26	“Suspensive Conditions”	the suspensive conditions in clause 3.1.

3. **“Suspensive conditions**

- 3.1 This Agreement is subject to fulfilment or waiver (to the extent capable of waiver in law) of each of the following suspensive conditions on or before the Deadline Date, namely:
- 3.1.1 the adoption by way of a special resolution by the shareholders of enX, and filing at the Companies and Intellectual Property Commission, of the MOI Amendment;
 - 3.1.2 the passing of any resolutions required to approve the transaction contemplated in this Agreement by the shareholders and board of directors of enX, including, without limitation, the approval of the specific issue of shares for cash in terms of the JSE Listings Requirements and any resolutions required in terms of sections 44 and/or 45 of the Companies Act to approve any financial assistance which may be provided by enX to CapLev in connection with the transactions contemplated by this Agreement;
 - 3.1.3 the conclusion and implementation of the CapLev Funding Agreements to the reasonable satisfaction of the Parties;
 - 3.1.4 the delivery to enX of written non-compete undertakings by each of the Significant Shareholders of CapLev and CapLev Newco, which undertakings shall be given *mutatis mutandis* on the same basis as the undertaking given by CapLev in clause 10 for so long as it remains a Significant Shareholder of CapLev or CapLev Newco and CapLev or CapLev Newco remains a Significant Shareholder of enX, as well as for a period of 12 months thereafter; and
 - 3.1.5 the delivery to enX of a copy of the CapLev MOIs (including proof of filing thereof at the Companies and Intellectual Property Commission) incorporating the restrictions on transfer and issue of shares in the share capital of CapLev and CapLev Newco as contemplated in clause 9.3;
 - 3.1.6 to the extent required, the obtaining of any approvals which may be required from any regulatory authority in the RSA, including, without limitation, the competition authorities and the Takeover Regulation Panel.

3.5 The Parties agree that should the Suspensive Conditions in clauses 3.1.3 to 3.1.6 remain unfulfilled by 31 March 2015, the Subscription Price shall automatically increase by R0.01 per Subscription Share for each month or part thereof that such Suspensive Condition remains unfulfilled.”*

* It is noted that, in terms of the confirmation of subscription price, the parties have agreed that, notwithstanding the provisions of this clause 3.5 of the subscription agreement, the subscription price will be R1.52 per subscription share and shall not be subject to further increase. Accordingly, the subscription price shall be an aggregate amount of R213 769 734.16.

4. “Subscription

CapLev Newco hereby undertakes to subscribe for the Subscription Shares on the Subscription Date, for a consideration equal to the Subscription Price, and enX undertakes to issue the Subscription Shares to CapLev Newco subject to the terms and conditions of this Agreement.”

6. “Issue of the Subscription Shares

6.3 enX acknowledges that CapLev Newco shall be entitled to pledge and cede *in securitatem debiti* its right, title and interest in and to the Subscription Shares to the IDC as security for its obligations under the CapLev Funding Agreements. enX shall provide such assistance as may be reasonably required by CapLev Newco to ensure that the pledge and cession is noted by the central securities depository referred to in clause 6.2.

6.4 Within 3 Business Days of the Subscription Date, CapLev Newco shall deliver to enX a completed form TRP 121.1 as required by section 122(1)(a) of the Companies Act to enable enX to file form TRP121.2 with the Takeover Regulation Panel as required by section 122(3) of the Companies Act.”

7. “Nomination of director

7.1 The Parties acknowledge that following the Subscription Date and in terms of the MOI, CapLev Newco shall for so long as it is a Significant Shareholder of enX, be entitled to:

7.1.1 nominate one director for appointment to the Board, subject to shareholder approval at the next general or annual general meeting of enX, which person must:

7.1.1.1 not be ineligible or disqualified to be a director as contemplated in sections 69(7) and (8) of the Companies Act; and

7.1.1.2 be a person who falls within the definition of ‘black people’ in the BBBEE Act, (“**CapLev Nominee**”); and

7.1.2 nominate one alternate director for appointment to serve on the Board in substitution for the CapLev Nominee, subject to shareholder approval at the next general or annual general meeting of enX.

7.2 It is recorded that CapLev Newco has nominated Paul Baloyi, who has already been appointed as a director of enX, as the CapLev Nominee.

7.3 In addition, CapLev shall be entitled to nominate one individual who enX undertakes shall be appointed as a senior executive of a member of the Group within 12 months from the Subscription Date.”

8. “Restrictions on disposal of Subscription Shares

8.1 Save for any disposal made with the prior written consent of the Board to any BEE Entity and any disposal made pursuant to the pledge and cession in favour of the IDC as contemplated in clause 6.3, the Subscription Shares may, subject to any further restrictions on disposal which may be imposed on CapLev Newco in terms of the CapLev Funding Agreements, only be disposed of as follows:

8.1.1 during the period up to the 7th anniversary of the Subscription Date, CapLev Newco may not sell, alienate, donate, transfer or otherwise dispose (“**sell/sale**”) any of the Subscription Shares or its interest therein;

8.1.2 after the 7th anniversary of the Subscription Date, CapLev Newco shall be entitled to sell up to 33,33% of the Subscription Shares;

8.1.3 after the 8th anniversary of the Subscription Date, CapLev Newco shall be entitled to sell up to 66,66% of the Subscription Shares; and

8.1.4 after the 8th anniversary of the Subscription Date, CapLev Newco shall be entitled to sell any of the Subscription Shares.”

9. **“Maintenance of BBBEE ownership**

- 9.1 CapLev Newco undertakes to provide enX with a copy of its then current BBBEE certificate of compliance from an accredited verification agency on an annual basis reflecting its levels of ownership by black people and black women as contemplated in terms of the BBBEE Act.
- 9.2 CapLev and CapLev Newco warrant and represent that as at the Signature Date and the Subscription Date, the shares in the issued share capital of CapLev and CapLev Newco are beneficially owned by and registered in the names of those entities and persons identified in **Schedule 1**, which shall also identify whether or not such entities or persons qualify as black people and/or black women as contemplated in terms of the BBBEE Act and the BBBEE Codes, as well as the number of shares held by each such entity or person in the issued share capital of CapLev and CapLev Newco (“**CapLev Shareholders**”).
- 9.3 CapLev and CapLev Newco shall at all times, for so long as they remain direct or indirect shareholders of enX, ensure that:
- 9.3.1 CapLev Newco remains a wholly-owned subsidiary of CapLev;
- 9.3.2 at least 70% of the shares in the issued share capital of CapLev are beneficially owned and registered in the name of black people as contemplated in terms of the BBBEE Act, read with the BBBEE Codes;
- 9.3.3 at least 15% of the shares in the issued share capital of CapLev are beneficially owned and registered in the name of the black women as contemplated in terms of the BBBEE Act, read with the BBBEE Codes;
- 9.3.4 during the period up to the 2nd anniversary of the Subscription Date, no CapLev Shareholder may sell any of its shares in the issued share capital of CapLev or CapLev Newco or its interest therein; and
- 9.3.5 during the period between the 2nd and the 9th anniversaries of the Subscription Date, no CapLev Shareholder may sell any of its shares in the issued share capital of CapLev or CapLev Newco without the prior written consent of enX,

subject to the rights of the funder in terms of the CapLev Funding Agreements and failing which (and without prejudice to enX’s rights to seek any interdictory relief or specific performance), CapLev and CapLev Newco shall be jointly and severally liable towards enX for any damages, losses, costs, expenses or other liability suffered or incurred by enX as a result of a breach of their undertakings in this clause 9.”

10. **“Non-compete undertaking and business opportunities**

- 10.1 For so long as CapLev or CapLev Newco is a Significant Shareholder of enX and for period of 12 months after it ceases to be a Significant Shareholder of enX, each of CapLev and CapLev Newco undertakes that neither it nor any Entity in which it is directly or indirectly interested, nor any person related or inter-related to it as contemplated in section 2 of the Companies Act, will either alone or jointly:
- 10.1.1 exercise any influence, directly or indirectly, over the strategic or operational decisions of any Entity that competes with the business of the Group; or
- 10.1.2 hold any effective financial interest in any Entity that competes with the business of the Group.
- 10.2 The non-compete undertaking in clause 10.1 shall not preclude CapLev from holding or acquiring a passive financial interest of any other company whose securities are listed on the securities exchange operated by the JSE Limited or any other recognised securities exchange, provided that such financial interest does not constitute in aggregate from than 5% of the issued share capital of such company.
- 10.3 Each of CapLev and CapLev Newco hereby undertakes that for so long as it remains a shareholder of enX, if CapLev or CapLev Newco is offered, finds, solicits, invents or otherwise comes across any opportunity (unilaterally or in conjunction with any other party) to enter into a transaction or to become involved in or acquire a direct or indirect interest in any business or Entity which conducts business in line with the Group’s strategy, CapLev and/or CapLev Newco shall give enX a right of first refusal in respect of such opportunity in that CapLev and/or CapLev Newco shall not pursue such opportunity, unless it shall first have made a written offer to enX to pursue or participate in such opportunity, which shall be capable of acceptance by enX at any time within a period of 60 calendar days.”

11. **“Board committee**

As soon as is reasonably practicable, but not later than 3 months after the Subscription Date, the Board shall establish a committee which shall have as its terms of reference:

- 11.1 the development and monitoring of Group strategy;
- 11.2 the screening, review, recommendation and post transaction monitoring of acquisition opportunities. An investment mandate will be established in this regard, with strict financial hurdles that must be achieved before an acquisition could be approved;
- 11.3 the promotion, review and implementation of the transformation objectives of the Group.”

13. **“Undertakings in respect of CapLev Funding Agreements**

13.1 The Company undertakes to provide the following documents to CapLev and/or CapLev Newco, on written request and to the extent that such documents are required to be maintained by the Company in terms of applicable law, which documents they shall be entitled to provide to the IDC:

- 13.1.1 a copy of the certificate of registration for the storage of hazardous chemical substances for New Way Power Proprietary Limited (“**New Way**”) and Centlube Proprietary Limited (“**Centlube**”) within six and 12 months, respectively of the Subscription Date;
- 13.1.2 proof of emergency evacuation drill (Fire Drill) within six months of the Subscription Date;
- 13.1.3 documented waste management program that includes the classification of spent and oil-contaminated sawdust and the disposal methods thereof within 6 months of the Subscription Date;
- 13.1.4 a copy of the certificate of compliance for electrical installation within six months of the Subscription Date;
- 13.1.5 a certificate of occupancy from the relevant local municipality or nearest Fire Chief Officer;
- 13.1.6 a copy of a liquid effluent discharge permits for New Way and Centlube from the local municipality within six months of the Subscription Date.

13.2 The Company undertakes that it shall procure that:

- 13.2.1 risk assessments are conducted at all plants of New Way and Centlube to identify hazardous activities within six months of the Subscription Date;
- 13.2.2 progress reports on the application by Centlube for environmental authorisation for the storage tanks installations are submitted to CapLev Newco;
- 13.2.3 where there is an environmental and/or social claim, liability or regulatory action notification, the Company shall update CapLev Newco on the progress of these actions;
- 13.2.4 CapLev Newco be notified within 48 hours of any occupational health and safety incident resulting in a fatality or major injury and subsequently, be provided with a copy of the incident investigation report outlining:
 - 13.2.5 the nature and cause of the incident;
 - 13.2.6 the immediate action taken;
 - 13.2.7 root cause analysis of the incident;
- 13.2.8 an environmental decommissioning report be submitted to CapLev Newco at least 90 days before the intended closure of the facility of New Way or Centlube. The report shall include the status of environmental performance at the time and indicate compliance with relevant environmental law requirements. The report should be certified by an external environmental consultant;
- 13.2.9 the IDC be granted access to the sites of New Way and/or Centlube on reasonable written request to undertake site visits at reasonable times to verify compliance with environmental, health and safety requirements.

- 13.4 CapLev and CapLev Newco shall during the term of the CapLev Funding Agreements be entitled to share any information it receives from enX in respect of the Group with IDC, subject to obtaining appropriate confidentiality undertakings from IDC and subject to applicable law and regulations (including, without limitation, the Companies Act, the Financial Markets Act, 2012 and the JSE Listings Requirements) and any confidentiality, fiduciary or other duties or obligations applicable to them.
- 13.5 It is recorded that for purposes of the CapLev Funding Agreements, the financial position of CapLev Newco shall be measured against a number of measures linked to the financial position of enX, resulting in three levels of engagement or remedial triggers depending on the relevant threshold. A breach of the relevant second threshold of the agreed financial measurements shall require CapLev Newco to arrange formal discussions between IDC and the executive management of enX for enX to present its analysis regarding the financial performance of the Group and its intended remedial steps or mitigation plan. enX undertakes to provide its reasonable cooperation and assistance in this regard.”

15. **“Breach**

- 15.1 Should any of the Parties commit a breach of any of the material provisions of this Agreement and fail to remedy that breach within seven Business Days after receipt from the non-defaulting Party of written notice calling upon it so to do, then the Party aggrieved by that breach shall be entitled, in addition to and without prejudice to any right it may have as a result of that breach, either to:
- 15.1.1 enforce specific performance of the terms hereof; or
- 15.1.2 cancel this Agreement,
- and recover such damages as it may have sustained.”

ENX INDEMNITY

LIMITED INDEMNITY

We, the undersigned, enX Group Limited, registration number 2001/029771/06 (“enX”), hereby indemnify and hold the following persons, in their capacities as shareholders of CapLeverage Proprietary Limited (“CapLev”):

1. Paul Cambo Baloyi – 45% shareholding in CapLev;
2. O’Flaherty Projects Proprietary Limited – 25% shareholding in CapLev;
3. Nombulelo Thokozile Moholi – 20% shareholding in CapLev;
4. Alon Fowler – 5% shareholding in CapLev;
5. Paul Kiyingi Kibuuka – 2.5% shareholding in CapLev; and
6. Letu Reuben Matlala – 2.5% shareholding in CapLev,

(“the CapLev Shareholders”), harmless from and against any claim made against any of the CapLev Shareholders in terms of the document entitled “Guarantee - Preference Shares” to be entered into by them with Industrial Development Corporation of South Africa Limited (“IDC”) (in the form submitted to enX as at the date hereof) (“Claim”), in terms of which they, on a joint and several basis, guarantee to IDC the payment of all amounts which may become owing by Samvenice Trading 1 Proprietary Limited (“Company”) to IDC in connection with a breach by the Company of its obligations under the preference share subscription agreement entered into between the Company, CapLev and IDC on or about 9 March 2015 (“the Guarantee”), provided such breach arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of its share price, subject to the following terms and conditions (“the Indemnity”):

1. the aggregate liability of enX towards any and all of the CapLev Shareholders in terms of this Indemnity shall be limited to, and shall under no circumstances exceed, the total amount of R15 000 000;
2. no CapLev Shareholder shall be entitled to payment of any amount or make any claim under this Indemnity from or against enX, unless and until the CapLev Shareholders have themselves first paid to IDC an amount of R5 000 000 in respect of Claims and provided enX with documentary proof of such payment and accordingly, enX’s liability under this Indemnity shall at all times be limited to only such portion of the Claims which exceed R5 000 000 in aggregate;
3. the CapLev Shareholders shall be required to immediately notify enX in writing of any Claim received from IDC, in which case, if such Claim is valid, enX will pay to the CapLev Shareholders, subject to paragraphs 1 and 2 above, within 5 business days, the amount of such Claim on a *pro rata* basis in accordance with their respective shareholding proportions in CapLev as set out above, into such bank accounts as may be nominated in writing by the CapLev Shareholder for such purpose;
4. if any one or more CapLev Shareholders pays the amount of any valid Claim directly to IDC, enX shall, subject to paragraphs 1 and 2 above, within 5 business days of receipt of documentary proof of such payment, reimburse the relevant CapLev Shareholders for the amounts so paid, with no obligation to pay any amount to any of the CapLev Shareholders who did not (or to the extent that they did not) contribute to the payment of such Claim;
5. no CapLev Shareholder shall be entitled to claim any amount under this Indemnity from enX if, at the relevant time, CapLev or the Borrower has breached any of the terms and conditions of the subscription and relationship agreement entered into between enX, CapLev and the Borrower on or about 9 March 2015 or any of the provisions of the memorandum of incorporation of enX and such breach is either continuing or is not capable of being remedied, unless such breach arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of share price;
6. on payment by enX of any amount of a Claim to any of the CapLev Shareholders or the IDC (on behalf of any of the CapLev Shareholders), the CapLev Shareholders hereby agree to cede and/or make available to enX any right of recourse, claim or other remedy which they may have against either the Company or CapLev as a consequence of the Guarantee and/or such settlement of the obligations of the Company on its behalf (*pro rata* in accordance with the portion of the Claim settled by enX) and the CapLev Shareholders shall use their reasonable endeavours to procure that IDC first exhausts its remedies against the Company or CapLev before making a Claim or otherwise that the assets of the Company and/or CapLev are first utilised to discharge the relevant obligations of the Company towards IDC.

This Indemnity shall only come into force on the later to occur of (i) the effective date of the Guarantee and (ii) the passing of the required resolutions in terms of sections 44 and/or 45 of the Companies Act, 2008 by the shareholders and directors of enX approving the financial assistance to be granted by enX to the Company, CapLev and/or the CapLev Shareholders pursuant to this Indemnity and shall, subject to the terms hereof, remain in force and effect for a period of 4 years, whereafter it shall automatically terminate.

No addition to or variation of this Indemnity shall be of any force and effect unless agreed in writing and signed by enX and each of the CapLev Shareholders.

SHARE PRICE TRADING HISTORY OF ENX GROUP LIMITED SHARES

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly					
2014					
May	159	140	155	3 598 881	5 367 258
June	180	140	178	13 468 594	20 769 628
July	193	176	178	4 922 519	8 895 551
August	197	179	190	18 616 841	34 265 219
September	205	186	197	5 733 341	11 219 059
October	199	182	190	3 484 825	6 535 177
November	201	172	192	7 599 927	14 113 107
December	224	188	210	7 546 286	15 347 605
2015					
January	250	205	244	2 377 655	5 176 161
February	279	230	235	7 565 055	18 905 312
March	248	202	225	1 278 035	2 842 603
April	250	220	245	1 519 697	3 427 821
Daily					
2015					
1 April	222	220	220	1 315	2 913
2 April	220	220	220	101 654	223 638
7 April	221	221	221	1 000	2 210
8 April	230	220	220	869 442	1 914 522
9 April	227	220	227	8 744	19 271
10 April	250	228	250	1 000	2 390
13 April	245	245	245	400	980
15 April	244	244	244	2 000	4 880
16 April	240	235	240	2 208	5 249
17 April	250	240	250	28 842	70 463
20 April	250	242	250	22 248	55 124
21 April	235	230	235	417 026	979 759
22 April	234	225	234	20 974	47 281
23 April	234	221	234	11 000	24 440
24 April	250	250	250	250	625
28 April	245	230	235	19 500	45 384
29 April	241	230	241	6 945	16 083
30 April	245	241	245	5 149	12 609
4 May	245	230	230	37 026	86 171
5 May	235	230	235	8 000	18 458
6 May	230	221	229	5 863	13 470
7 May	229	229	229	10 500	24 045

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
8 May	229	229	229	–	–
11 May	229	229	229	550	1 259
12 May	229	220	229	24 000	53 563
13 May	229	229	229	–	–
14 May	220	218	219	158 991	349 574
15 May	218	200	218	310 541	638 278
16 May	219	219	219	45 000	98 550
17 May	215	200	214	233 185	471 424
18 May	214	201	212	45 908	96 204
21 May	212	212	212	–	–
22 May	214	214	214	787	1 684
25 May	214	214	214	–	–
26 May	212	205	210	185 900	385 149
27 May	210	200	210	25 246	51 966
28 May	210	205	205	128 263	267 828
29 May	215	205	215	54 000	111 100

PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial information is based on enX's published interim results for the six months ended 28 February 2015. The *pro forma* financial information is the responsibility of the directors of enX and have been prepared for illustrative purposes only, in order to provide information about the financial position and results of enX, assuming the transaction had been implemented on 1 September 2014, for purposes of the *pro forma* statement of comprehensive income, and on 28 February 2015, for purposes of the *pro forma* statement of financial position. Due to its nature, the *pro forma* financial information may not give a fair reflection of enX's financial position, changes in equity, results of operations or cash flows after the transaction. The *pro forma* statement of comprehensive income and the *pro forma* statement of financial position are presented in a manner consistent in all respects with IFRS and in accordance with the accounting policies that were used in the preparation of the group's published interim results for the six months ended 28 February 2015.

The independent reporting accountants' report on the *pro forma* financial information is set out in **Annexure 7**.

Pro forma consolidated statement of comprehensive income for the six months ended 28 February 2015

	enX Group Limited (R)	Issue of shares for cash (R)	<i>Pro forma</i> (R)
Revenue	326 468 919	–	326 468 919
Cost of sales	(227 869 956)	–	(227 869 956)
Gross profit	98 598 963	–	98 598 963
Other operating income	11 014 218	–	11 014 218
Net operating expenses	(97 986 478)	–	(97 986 478)
Profit from operations before impairment of goodwill	11 626 703	–	11 626 703
Impairment of goodwill	(15 711 800)	–	(15 711 800)
Loss from operations before interest and taxation	(4 085 096)	–	(4 085 096)
Net interest received	442 242	5 327 626	5 769 868
Interest received	1 238 347	4 877 772	6 116 119
Interest paid	(796 105)	449 854	(346 251)
Loss before share of loss from associate and taxation	(3 642 854)	5 327 626	1 684 771
Share of loss from associate	(151 039)		(151 039)
Profit before taxation	(3 793 893)	5 327 626	1 533 733
Taxation (expense)/income	(1 900 933)	(1 491 735)	(3 392 668)
Total comprehensive income for the period	(5 694 826)	3 835 891	(1 858 935)
Attributable to:			–
Owners	(5 694 826)	3 835 891	(1 858 935)
Non-controlling interest	–	–	–
Total comprehensive income for the period	(5 694 826)	3 835 891	(1 858 935)

	enX Group Limited (R)	Issue of shares for cash (R)	<i>Pro forma</i> (R)	% change
Earnings	(5 694 826)	3 835 891	(1 858 935)	67.36
Headline Earnings	9 826 653	3 835 891	13 662 544	39.04
EPS (cents per share)	(1.35)	–	(0.33)	75.52
HEPS (cents per share)	2.33	–	2.43	4.26
Diluted EPS (cents per share)	(1.35)	–	(0.33)	75.52
Diluted HEPS (cents per share)	2.33	–	2.43	4.26

Notes to the consolidated statement of comprehensive income

1. The “Before Specific Issue” column has been extracted, without adjustment, from enX’s published interim results for the six months ended 28 February 2015.
2. Interest received has been calculated at a pre-tax rate of 5,25% p.a. based on rates available from company bankers on the net amount of R185 819 880, being R213 769 723 from the specific issue less R27 949 854 of shareholder advances. R27 949 854 of the funds received from the specific issue will be used to repay shareholder advances. Interest paid has been reduced by the accrued interest on the shareholder advance of R449,854. The shareholder advances relate to bridge finance which was received in December 2014 and was used to fund the working capital that supports the Mobil distributorship. It is the company’s intention to apply the net amount received from the specific issue for acquisition purposes and not in the ordinary course of its business. Until applied, funds will be held in an interest-bearing account.
3. Transaction costs of R778 076 have been allocated to the stated capital in accordance with IAS 32.
4. The transaction has been assumed to have taken place at a fair market value regardless of the subscription price being at a discount to the current enX traded share price and the indemnity provided by enX. As a consequence, no discount or option expense has been recognised as may have been required in terms of IFRS 2. This assumption is supported by the independent expert’s opinion detailed in **Annexure 2**.
5. Tax is assumed at 28%.
6. All adjustments, with the exception of transaction costs, are assumed to have a continuing effect.

Pro forma consolidated statement of financial position as at 28 February 2015

	enX Group Limited (R)	Issue of shares for cash (R)	<i>Pro forma</i> (R)	
ASSETS				
Non current assets	224 275 548	–	224 275 548	
Property, plant and equipment	62 472 075	–	62 472 075	
Goodwill	124 848 702	–	124 848 702	
Loans receivable – other NC	–	–	–	
Deferred taxation asset	19 869 771	–	19 869 771	
Investment in subsidiaries	–	–	–	
Intangibles	17 085 000	–	17 085 000	
Current assets	498 278 466	185 819 880	684 098 346	
Inventory	247 088 974	–	247 088 974	
Trade and other receivables	190 362 897	–	190 362 897	
Taxation receivable	10 385 201	–	10 385 201	
Cash and cash equivalents	50 441 393	185 819 880	236 261 274	
TOTAL ASSETS	722 554 014	185 819 880	908 373 894	
EQUITY AND LIABILITIES				
Capital and reserves	439 349 424	212 991 658	652 341 082	
Stated capital	350 927 459	213 769 734	564 697 193	
Shareholder loans	–	–	–	
Retained earnings	88 421 965	(778 076)	87 643 889	
Non-controlling interest in subsidiaries	–	–	–	
Non-current liability	6 320 179	–	6 320 179	
Shareholder loans	–	–	–	
Interest bearing liability	4 499 477	–	4 499 477	
Deferred taxation liability	1 820 702	–	1 820 702	
Current liabilities	276 884 411	(27 171 778)	249 712 633	
Interest bearing liability	30 957 761	(27 949 854)	3 007 907	
Trade payables	242 593 059	778 076	243 371 135	
Bank overdrafts	–	–	–	
Taxation payable	3 333 590	–	3 333 590	
TOTAL EQUITY AND LIABILITIES	722 554 014	185 819 880	908 373 894	% change
Net asset value	439 349 424		652 341 082	48.5
Net tangible asset value	297 415 722		510 407 380	71.6
Shares outstanding (m)	421 689 018	140 637 983	562 327 001	33.4
Net asset value (cents per share)	104.19		116.01	11.3
Net tangible asset value (cents per share)	70.53		90.77	28.7

Notes to the consolidated statement of comprehensive income

- The “Before Specific Issue” column has been extracted, without adjustment, from enX’s published interim results for the six months ended 28 February 2015.
- Cash received from the specific issue of R213 769 7345 in terms of which 140 637 983 enX shares are issued to CapLev Newco at 152 cents per share has been reduced by the shareholder advance of R27 949 854, being capital of R27 500 000 and capitalised interest of R449 854.
- Transaction costs of R778 076 have been allocated to the stated capital in accordance with IAS 32.
- All adjustments, with the exception of transaction costs, are assumed to have a continuing effect.

REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

The Directors
enX Group Limited
202D
11 Crescent Drive
Melrose Arch
Johannesburg
2196
South Africa

5 June 2015

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF ENX LIMITED ("ENX")

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of enX by the directors. The *pro forma* financial information, as set out in **Annexure 6** of the circular to be issued by enX on or about 15 June 2015 ("**the circular**"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed transaction as described in Section 5 of the circular ("**the transactions**"), on the company's financial position as at 28 February 2015, and the company's financial performance for the period then ended, as if the transactions had taken place at 28 February 2015 for purposes of the *pro forma* statement of financial position and at 1 September 2014 for purposes of the *pro forma* statement of comprehensive income. As part of this process, information about the company's financial position has been extracted by the directors from the company's published interim results for the six months ended 28 February 2015.

Directors' responsibility for the pro forma financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 6 of the circular.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 6 of the circular.

Consent

This report on the compilation of the *pro forma* financial information is included solely for the information of the enX shareholders. We consent to the inclusion of our report on the *pro forma* financial information, and the references thereto, in the form and context in which they appear in the circular.

Yours faithfully

Grant Thornton

Chartered Accountants (SA)
Registered Auditors
Practice number 903485

I D Vorster

Partner
Chartered Accountant (SA)
Registered Auditor

@Grant Thornton

52 Corlett Drive
Wanderers Office Park
Illovo
2196



enX Group Limited
 (formerly Austro Group Limited)
 (Incorporated in the Republic of South Africa)
 (Registration number 2001/029771/06)
 JSE share code: ENX ISIN: ZAE000195723
 (“enX” or “the company”)

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the general meeting of shareholders of the company (“**shareholders**”) will be held at 10:00 on Tuesday, 14 July 2015 at the offices of enX, 202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196 (the “**general meeting**”) for the purposes of considering and, if deemed fit, adopting with or without modification, the resolutions set out below.

Important dates to note	2015
Record date to receive circular (together with the notice convening the general meeting)	Friday, 5 June
Circular (together with the notice convening the general meeting) posted	Monday, 15 June
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS	Monday, 15 June
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Wednesday, 17 June
Last day to trade in order to be eligible to vote at the general meeting	Friday, 26 June
Voting record date	Friday, 3 July
Last day to lodge forms of proxy for the general meeting (by 10:00)	Friday, 10 July
General meeting held at 10:00	Tuesday, 14 July
Results of the general meeting released on SENS	Tuesday, 14 July
Results of the general meeting published in the press	Wednesday, 15 July
Special resolution to approve the MoI amendment filed with the CIPC	Wednesday, 15 July
Expected date of fulfilment of the conditions precedent	Wednesday, 5 August
Expected date on which the subscription units will be listed, allotted and issued to CapLev Newco	Friday, 14 August

Where appropriate and applicable the terms defined in the circular to which this notice of general meeting is attached and forms part of bear the same meanings in this notice of general meeting, and in particular, in the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the general meeting in the place of the shareholder; and
- a proxy need not be a shareholder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all shareholders recorded in the register of the company on the voting record date will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents, drivers’ licenses and passports.

WHEREAS:

1. Specific issue of shares for cash

- 1.1 As disclosed in a cautionary announcement released on SENS on 16 March 2015, and published in the press on 17 March 2015, on 9 March 2015, enX, CapLev and CapLev Newco entered into the subscription agreement in terms of which, subject to the fulfilment or waiver, if applicable, of the conditions precedent set out in paragraph 5.4 of the circular to which this notice of general meeting is attached, CapLev NewCo will, with effect from the subscription date, subscribe for the subscription shares. The salient features of the subscription agreement are set out in **Annexure 3** of the circular to which this notice of general meeting is attached.
- 1.2 In terms of section 5.51(g) of the Listings Requirements, a specific issue of shares requires the approval of the shareholders of the company by way of an ordinary resolution passed by a 75% majority of votes cast by all shareholders present in person or by proxy at the general meeting convened to approve such resolution, on which any parties and their associates participating in the specific issue for cash have not voted or whose votes have not been counted.
- 1.3 In terms of:
 - 1.3.1 section 41(1) of the Companies Act, an issue of shares must be approved by a special resolution of the shareholders of a company if the shares are issued to a person related or inter-related to a director of the company; and
 - 1.3.2 section 41(3) of the Companies Act, an issue of shares must be approved by a special resolution of the shareholders of the company if the voting power of the shares to be issued as a result of the transaction will be equal to or exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction.

2. enX indemnity

- 2.1 Pursuant to the CapLev shareholders guarantee, each of the CapLev shareholders, as guarantors, have jointly and severally guaranteed all amounts which may become owing by CapLev Newco in connection with a breach by CapLev Newco of the IDC funding agreement, with their aggregate liability under such guarantee being limited to a maximum amount of R20 000 000. Pursuant to the enX indemnity, enX has in turn indemnified each of the CapLev shareholders from and against any claim made against any of them in terms of the CapLev shareholders guarantee, provided such claim arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of its share price. enX's aggregate liability under the enX indemnity is at all times limited to only such portion of claims made by the IDC which exceeds R5 000 000 in aggregate, and will not exceed R15 000 000. The enX indemnity shall only come into force on the later to occur of (i) the effective date of the CapLev shareholders guarantee and (ii) the passing of the required resolutions in terms of sections 44 and/or 45 of the Companies Act by the shareholders and directors of enX approving the financial assistance to be granted pursuant to the enX indemnity and shall, subject to its terms, remain in force and effect for a period of four years, whereafter it shall automatically terminate.
- 2.2 A copy of the enX indemnity is attached to the circular to which this notice of general meeting is also attached, as **Annexure 4**.
- 2.3 Section 44 of the Companies Act provides that, except to the extent that the memorandum of incorporation of the company provides otherwise, the board may authorise the company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any securities issued or to be issued by the company. The provision of such financial assistance must, however, be given pursuant to an employee share scheme, or be approved by a special resolution of shareholders.
- 2.4 Section 45 of the Companies Act provides that, except to the extent that the memorandum of incorporation of the company provides otherwise, the board may authorise the company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director of the company, to a related or inter-related company or corporation, or to a member of a related or inter-related corporation. The provision of such financial assistance must, however, be given pursuant to an employee share scheme, or be approved by a special resolution of shareholders.
- 2.5 The enX indemnity constitutes the provision of financial assistance by enX in terms of both sections 44 and 45 of the Companies Act, and is not given pursuant to an employee share scheme. Accordingly, the approval of the enX indemnity by way of a special resolution of shareholders is required in terms of sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act.

- 2.6 As contemplated in terms of sections 44(3)(b) and 45(3)(b) of the Companies Act, the board has confirmed that it is of the view that:
- 2.6.1 immediately after granting the enX indemnity the company would satisfy the solvency and liquidity test, as contemplated in section 4 of the Companies Act, in that:
- 2.6.1.1 the assets of the company, as fairly valued, shall equal or exceed the liabilities of the company, as fairly valued; and
- 2.6.1.2 it appears that the company will be able to pay its debts as and when they become due in the ordinary course of business for a period of 12 months after the date of granting the enX indemnity; and
- 2.6.2 the terms under which the enX indemnity is proposed to be granted are fair and reasonable to the company.

3. **Amendment of the MoI and appointment of directors**

- 3.1 As detailed in paragraph 5.4.1 of the circular to which this notice of general meeting is attached, the transaction remains subject to the amendment of the memorandum of incorporation, so as to record the right of CapLev Newco (as set out in the subscription agreement) following the subscription date and for so long as it is a significant shareholder of enX, to nominate, for appointment to the board, the CapLev Newco nominee, and one alternate director to serve in substitution for the CapLev Newco nominee.
- 3.2 Pursuant to this right, with effect from the subscription date, CapLev Newco has nominated Paul Baloyi, being a black person who is not ineligible or disqualified to be a director as contemplated in sections 69(7) and (8) of the Companies Act, as the CapLev Newco nominee; it being noted that, as Paul Baloyi is currently a director of the company, no further election or appointment in this regard is required.
- 3.3 The alternate director to serve in substitution for the CapLev Newco nominee will be nominated in due course. In terms of the existing memorandum of incorporation, any one of the directors of the company is entitled, subject to the written approval of the majority of the directors of the company, to appoint any person as a director in terms of section 66(4)(a)(i) of the Companies Act, provided that such appointment must be approved by the shareholders at the next annual general meeting. In order to extend such right to the appointment of alternate directors in terms of section 66(4)(a)(iii) of the Companies Act, an amendment of the memorandum of incorporation is required. Any consequent appointment of an alternate director must similarly be approved by the shareholders at the next general or annual general meeting.
- 3.4 In terms of clause 40.2 thereof, the memorandum of incorporation may only be altered or amended -
- 3.4.1 in compliance with a court order on the basis set out in section 16(1)(a) of the Companies Act; or
- 3.4.2 by way of special resolution of the shareholders in compliance with the provisions of section 16(1)(c) of the Companies Act, read with the provisions of the MoI and the remaining provisions of the Companies Act.
- 3.5 In terms of Schedule 10.16(b) of the Listings Requirements, the appointment of all directors is subject to shareholder approval at any general meeting.

Accordingly, under this notice of the general meeting, shareholders will be requested to authorise and approve:

- (1) the transaction;
- (2) the provision of financial assistance as contemplated under the enX indemnity; and
- (3) the MoI amendment.

SPECIAL RESOLUTION NUMBER 1: FINANCIAL ASSISTANCE TO SUBSCRIBE FOR SHARES

“It is resolved that, to the extent required by section 44 of the Companies Act, the board may, subject to compliance with the requirements of the memorandum of incorporation, the Companies Act and the Listings Requirements, authorise the company to provide financial assistance to CapLev Newco for the subscription by CapLev Newco for the subscription shares in terms of the subscription agreement, read with the confirmation of subscription price, in the form of, and in accordance with the provisions of the enX indemnity, a copy of which has been tabled at this general meeting and initialled by the chairman for identification purposes.

At the time of providing such financial assistance to CapLev Newco, the board shall satisfy itself that:

- (i) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test, as set out in section 4 of the Companies Act; and
- (ii) the terms under which the financial assistance is given are fair and reasonable to the company.”

Voting

Special resolution number 1 will require the support of the holders of at least 75% of the voting rights exercised thereon at the general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to obtain the approval of shareholders for the enX indemnity in terms of section 44(3) of the Companies Act. The effect of special resolution number 1 is that the company will be entitled to provide financial assistance to CapLev Newco, in the form of the enX indemnity, for purposes of the subscription by CapLev Newco for the subscription shares.

Further information in respect of the enX indemnity is set out in the circular to which this notice of general meeting is attached.

SPECIAL RESOLUTION NUMBER 2: FINANCIAL ASSISTANCE TO DIRECTORS

“It is resolved that, to the extent required by section 45 of the Companies Act, the board may, subject to compliance with the requirements of the memorandum of incorporation, the Companies Act and the Listings Requirements, authorise the company to provide direct or indirect financial assistance to a director of the company, in the form of, and in accordance with the provisions of, the enX indemnity, a copy of which has been tabled at this general meeting and initialled by the chairman for the purpose of identification.

At the time of providing such financial assistance, the board shall satisfy itself that:

- (i) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test, as set out in section 4 of the Companies Act; and
- (ii) the terms under which the financial assistance is given are fair and reasonable to the company.”

Voting requirement

Special resolution number 2 will require the support of the holders of at least 75% of the voting rights exercised thereon at the general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of special resolution number 2

The reason for special resolution number 2 is to obtain the approval of shareholders for the enX indemnity in terms of section 45(3) of the Companies Act. The effect of special resolution number 2 is that the company will be entitled to provide financial assistance to its directors, in the form of the enX indemnity, for purposes of the subscription by CapLev Newco for the subscription shares.

Further information in respect of the enX indemnity is set out in the circular to which this notice of general meeting is attached.

SPECIAL RESOLUTION NUMBER 3: AMENDMENT OF THE MOI

“It is resolved that the memorandum of incorporation of the company be and is hereby amended by:

- (i) the amendment of the existing clause 26.3A as follows by the insertion of the underlined wording:

“26.3A *Subject to the requirements of the Act, any of the directors of the Company is entitled, subject to the written approval of the majority of the Directors, to appoint any person as a Director in terms of section 66(4)(a)(i) of the Act to serve as a member of the Board and/or to appoint any person as an alternate Director in terms of section 66(4)(a)(iii) of the Act to serve, as the occasion requires, as a member of the Board in substitution of a particular Director, provided in both cases that such appointment must be approved by Shareholders at the next general or annual general meeting;*” and

- (ii) the insertion of the following new clause 26.3B immediately following the existing clause 26.3A:

“26.3B *Samvenice Trading 1 Proprietary Limited shall, for so long as it holds more than 15% of the ordinary shares in the issued share capital of the Company or is entitled to exercise more than 15% of the voting rights exercisable on any matter to be decided by the shareholders of the Company, be entitled, by written notice delivered to the Company, to (i) nominate one individual for appointment as a Director, which person must be a person who falls within the definition of ‘black people’ in the Broad-Based Black Economic Empowerment Act, 2003 (“CapLev Nominee”) and (ii) nominate one individual for appointment as alternate Director to serve in substitution for the CapLev Nominee, in each case subject to shareholder approval at any general or annual general meeting.*”

Voting requirement

Special resolution number 3 will require the support of the holders of at least 75% of the voting rights exercised thereon at the general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of special resolution number 3

The reason for special resolution number 3 is to approve the amendment of the MoI, in terms of clause 40.2 of the memorandum of incorporation, so as to, *inter alia*, grant CapLev Newco the right to nominate a director for appointment to the board, as contemplated in the subscription agreement. The effect of special resolution number 3 is that the existing memorandum of incorporation of the company is amended to the extent set out in special resolution number 3.

SPECIAL RESOLUTION NUMBER 4: AUTHORITY TO ISSUE SHARES IN TERMS OF SECTIONS 41(1) AND 41(3) OF THE COMPANIES ACT

“It is resolved in accordance with the provisions of sections 41(1) and 41(3) of the Companies Act that, subject to the fulfilment (and/or waiver) of the conditions precedent to the transaction (save for any condition precedent to the transaction in terms of which this special resolution number 4 is to be approved by the requisite majority of shareholders), which conditions precedent are set out in the circular to enX shareholders to which this notice of general meeting is attached, the issue of 140 637 983 ordinary shares for an aggregate subscription price of R213 769 734.16 to CapLev Newco, in terms of the subscription agreement, read with the confirmation of subscription price, be and is hereby approved.”

Voting requirement

Special resolution number 4 will require the support of the holders of at least 75% of the voting rights exercised thereon at the general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of special resolution number 4

The reason for special resolution number 4 is to permit enX to issue 140 637 983 ordinary shares to CapLev Newco in terms of the subscription agreement, in accordance with the provisions of section 41(1) of the Companies Act, as it constitutes an issue of shares to a related or inter-related person to a director(s) of enX, and in accordance with section 41(3) of the Companies Act, as the voting power of the shares to be issued to CapLev Newco exceed 30% of the voting power of all ordinary shares held by shareholders immediately before this transaction.

ORDINARY RESOLUTION 1: SPECIFIC AUTHORITY TO ISSUE SHARES FOR CASH

“It is resolved in terms of section 5.51(g) of the Listings Requirements that, subject to the fulfilment (and/or waiver) of the conditions precedent to the transaction (save for any condition precedent to the transaction in terms of which this ordinary resolution number 1 is to be approved by the requisite majority of shareholders), which conditions precedent are set out in the circular to enX shareholders to which this notice of general meeting is attached, the issue of 140 637 983 ordinary shares for an aggregate subscription price of R213 769 734.16 to CapLev Newco, in terms of the subscription agreement, read with the confirmation of subscription price, be and is hereby approved.”

Voting requirement

In terms of section 5.51(g) of the Listings Requirements, ordinary resolution number 1 will require the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy at the meeting at the general meeting convened to approve such resolution, on which any parties and their associates participating in the specific issue for cash have not voted or whose votes have not been counted, to be approved.

ORDINARY RESOLUTION NUMBER 2: GENERAL AUTHORITY

“It is resolved that any of the directors of the company or the company secretary be and are hereby authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the above resolutions.”

Voting requirement

Ordinary resolution number 2 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

QUORUM

A quorum for the purposes of considering the resolutions proposed at the general meeting shall consist of at least three shareholders personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition:

- a quorum shall comprise at least 25% of the voting rights that are entitled to be exercised by shareholders in respect of at least one matter to be decided at the general meeting; and
- a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of the matter at the time the matter is called on the agenda.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 3 July 2015.

SHAREHOLDERS

General instructions

Shareholders are encouraged to attend, speak and vote at the general meeting.

Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Friday, 10 July 2015, by submitting by e-mail to the company at jarrod.friedman@enxgroup.co.za, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) and written confirmation from the shareholder's Central Securities Depository Participant (“CSDP”) confirming the shareholder's title to the dematerialised shares (in the case of dematerialised shares). Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting through this medium.

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any shareholder holding certificated shares, who cannot attend the general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with “own-name” registration.

All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

Forms of proxy must be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), faxed to +27 11 370 5238 or emailed to proxy@computershare.co.za, to be received by no later than 10:00 on Friday, 10 July 2015. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

A proxy shall be deemed to have the right to demand or join in demanding a poll.

A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the shareholder concerned or revocation of the proxy or of the authority under which the proxy was executed or the transfer of shares in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the company at the office of its transfer secretaries more than, and that the transfer has been given effect to by the company less than 30 (thirty) minutes before the commencement of the general meeting.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.

The company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised unitholder to notify such shareholder of the general meeting or any business to be conducted thereat.

GENERAL NOTES

1. A shareholder entitled to attend and vote at the general meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a member of the company.
2. All forms of proxy or other instruments of authority must be deposited with the transfer secretaries, so as to be received by no later than 10:00 on Friday, 10 July 2015. A shareholder which is a company or other body corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.
3. Shareholders who have not dematerialised their shares and "own-name" dematerialised shareholders who are unable to attend the general meeting and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received by no later than 10:00 on Friday, 10 July 2015.
4. Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own-name" registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares and wish to attend the general meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend the general meeting.
5. Shareholders who have dematerialised their shares, other than with "own-name" registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
6. On a show of hands, any person present and entitled to vote shall only have one vote, irrespective of the number of shares he holds or represents.
7. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to one vote for each share of which he is the registered holder or representative.
8. A resolution put to the vote shall be decided by way of a poll.

By order of the board

enX Group Limited

15 June 2015



enX Group Limited

(formerly Austro Group Limited)

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

JSE share code: ENX ISIN: ZAE000195723
("enX" or "the company")

FORM OF PROXY FOR ENX SHAREHOLDERS

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their enX shares;
- registered shareholders who have already dematerialised their enX shares and which shares are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders of enX who are unable to attend the general meeting of the company to be held at the offices of the company at 202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196 at 10:00 on Tuesday, 14 July 2015 (the "general meeting").

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders, other than with "own name" registration, should provide instructions to their appointed Central Securities Depository Participant ("CSDP") or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (BLOCK LETTERS PLEASE)

of (address)

Telephone number:

Cell phone number:

Email address:

being the holder/s of

enX shares hereby appoint

1. _____ or failing him/her,
2. _____ of failing him/her,
3. the chairman of the general meeting,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s):

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/ she thinks fit.

	In favour of	Against	Abstain
Special Resolution Number 1: Financial assistance to subscribe for shares			
Special Resolution Number 2: Financial assistance to directors			
Special Resolution Number 3: Amendment of the MoI			
Special Resolution Number 4: Authority to issue shares in terms of sections 41(1) and 41(3) of the Companies Act			
Ordinary Resolution Number 1: Specific authority to issue shares for cash			
Ordinary Resolution Number 2: General authority			

* One vote per share held by enX shareholders recorded in the register on the voting record date.

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this

day of

2015

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, posted to PO Box 61051, Marshalltown, 2107, faxed to +27 11 370 5238 or emailed to proxy@computershare.co.za, so as to arrive by no later than 10:00 on Friday, 10 July 2015.

Please read the notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. Only shareholders who are registered in the register of the company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, being Friday, 3 July 2015 (the "voting record date"), may complete a form of proxy or attend the general meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a shareholder of the company.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their "own name", but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a Central Securities Depository Participant ("CSDP") and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting "the chairman of the general meeting". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
 - 8.1 stated in the revocation instrument, if any; or
 - 8.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - 9.1 the shareholder, or
 - 9.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 11.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2 the company must not require that the proxy appointment be made irrevocable; and
 - 11.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialed.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in the company that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be shall alone be, shall be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the company.
18. The chairman of the general meeting may reject or accept any proxy which is completed and /or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
20. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
21. It is requested that this form of proxy be lodged or posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg, by fax on +27 11 370 5238 or by email to proxy@computershare.co.za, to be received by the company no later than 10:00 on Friday, 10 July 2015. A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the general meeting. In addition, a quorum shall consist of three shareholders of the company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting.
22. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
23. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.