## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 6 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 3 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.

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# enX Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 2001/029771/06)
JSE share code: ENX ISIN: ZAE000195723
("**enX**" or "**the company**")

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## CIRCULAR TO enX SHAREHOLDERS

relating to:

- **the proposed acquisition by enX of 100% of the equity in Eqstra NewCo, that will own Eqstra's Industrial Equipment division and Eqstra's Fleet Management and Logistics division and the recapitalisation of Eqstra for an aggregate consideration of approximately R7.8 billion, to be settled by enX as follows:**
  - **the allotment and issue to Eqstra of 52 715 390 new enX shares at R21.00 per enX share;**
  - **assuming approximately R5.2 billion of Eqstra group's debt obligations, of which R4.8 billion is currently within the IE and FML divisions;**
  - **the recapitalisation of Eqstra to the value of approximately R1.4 billion by way of enX:**
    - **subscribing for 101 400 000 new Eqstra ordinary shares at R1.00 per Eqstra ordinary share;**
    - **subscribing for R600 million of MCC preference shares;**
    - **advancing the enX loan of R700 million to MCC;**
- **a specific authority to issue new enX shares for up to R1.5 billion for cash, to enX shareholders and institutional investors;**
- **the consolidation of enX's shares in the ratio of 11 to 1; and**
- **the authorised share increase;**

and enclosing:

- **a notice of general meeting of enX shareholders;**
- **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); and**
- **a form of surrender (to be completed by certificated shareholders only).**

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**Corporate advisor, bookrunner and sponsor**

JAVACAPITAL

**Legal advisor to enX**

enSAFRICA

**Independent reporting accountants**

Deloitte.

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Date of issue: 24 August 2016

*This circular is available in English only. Copies of this circular are 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.*

***This circular should be read with the enX revised listing particulars posted with this circular.***

## 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)

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

**Independent reporting accountants**
Deloitte & Touche
Registered Auditors
(Practice number 902276)
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)

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

**Co-underwriter**
First Avenue Investment Managers Proprietary Limited
(Registration number 2008/027511/07)
21 Fricker Road
Illovo, 2196

**Co-underwriter**
Richmark Proprietary Limited
(Registration number 2000/013818/07)
5th Floor, Capital Hill
6 Benmore Drive
Sandton, 2196

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

**Legal advisor**
Edward Nathan Sonnenbergs Inc.
(Registration number 2006/018200/21)
150 West Street
Sandown
Sandton, 2196
(PO Box 783347, Sandton, 2146)

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

**Co-underwriter**
Anchor Capital Proprietary Limited
(Registration number 2009/002925/07)
25 Culross Road
Bryanston, 2191
(PO Box 1337, Gallo Manor, 2052)

**Co-underwriter**
Ellerine Group Proprietary Limited
(Registration Number 1968/015292/07
Unit 9A
1st Floor, 3 Melrose Boulevard
Melrose Arch
Johannesburg, 2196

**Co-underwriter**
Classic International Impex Proprietary Limited
(Registration number 1961/000408/07)
2nd Floor, 1 Melrose Arch Boulevard
Melrose Arch
Johannesburg, 2196

**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 6 of this circular have been used in the following table of contents.


| | *Page* |
|---|---|
| **Corporate information** | Inside front cover |
| **Action required by enX shareholders** | 3 |
| **Salient dates and times** | 5 |
| **Interpretations and definitions** | 6 |
| **Circular to shareholders** | |
| 1. Introduction | 11 |
| 2. Overview of enX | 12 |
| 3. Overview of Eqstra | 13 |
| 4. Prospects and strategy | 14 |
| **Part I: The Eqstra transaction** | |
| 5. Rationale for the Eqstra transaction | 16 |
| 6. Conditions precedent | 16 |
| 7. Material terms of the Eqstra transaction | 17 |
| 8. Eqstra debt restructure | 20 |
| 9. Undertakings in respect of the Eqstra transaction | 21 |
| 10. Vendors | 21 |
| **Part II: Authorised share increase and specific issue** | |
| 11. Authorised share increase | 23 |
| 12. The specific issue and placement | 23 |
| 13. Underwriting and subscription | 25 |
| **Part III: The consolidation** | |
| 14. The consolidation | 26 |
| 15. Procedure to be followed in respect of the consolidation | 26 |
| **Part IV: Financial information** | |
| 16. *Pro forma* financial information | 28 |
| 17. Forecast financial information | 28 |
| 18. Historical financial information | 28 |
| 19. Share price history | 28 |

*Page*

**Part V: General**


20. General meeting 29
21. Opinion and recommendation of the enX board 29
22. The enX Forfeitable Share Plan 29
23. Shares in issue 29
24. Major and controlling shareholders 31
25. Directors 31
26. Material borrowings 34
27. Material contracts 35
28. Material changes 35
29. Adequacy of capital 35
30. Litigation statement 35
31. Consents 35
32. Conflicts of interest 36
33. Preliminary expenses and issue expenses 36
34. Directors' responsibility statement 36
35. Documents and consents to be available for inspection 37
36. Documents incorporated by reference 38

**Annexure 1** *Pro forma* financial information 39
**Annexure 2** Independent reporting accountants' assurance report on the compilation of *pro forma* financial information included in a circular for enX Group Limited 46
**Annexure 3** Consolidated forecast financial information of enX 48
**Annexure 4** Independent reporting accountants' limited assurance report on the forecast financial information of enX 50
**Annexure 5** Independent reporting accountants' report on the historical consolidated financial information of IE and FML divisions for the years ended 30 June 2015, 2014, 2013 53
**Annexure 6** Independent reporting accountants' report on the interim historical consolidated financial information of IE and FML divisions for the six months ended 31 December 2015 55
**Annexure 7** Share price history of enX 57
**Annexure 8** The Eqstra transaction agreements 58
**Annexure 9** Table of entitlement 59
**Annexure 10** Corporate information on the co-underwriters 61
**Annexure 11** Salient features of the enX Forfeitable Share Plan 63

**Notice of general meeting** 69

**Form of proxy** Attached

**Form of surrender** Attached

## ACTION REQUIRED BY ENX SHAREHOLDERS

The definitions commencing on page 6 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.

1. **THE GENERAL MEETING**

A shareholders' general meeting will be held at 10:00 on Thursday, 22 September 2016 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, *inter alia*, the Eqstra transaction. A notice convening such general meeting is attached hereto, and forms part of this circular.

1.1 **Dematerialised shareholders who do not have own-name registration**

1.1.1 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.

1.1.2 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.

1.1.3 You must **not** complete the attached form of proxy.

1.2 **Dematerialised shareholders who have own-name registration**

1.2.1 You may attend, speak and vote at the general meeting in person, subject to sections 57 and 58 of the Companies Act.

1.2.2 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 Tuesday, 20 September 2016. Alternatively forms of proxy may be handed to the chairman prior to the commencement of the general meeting.

1.3 **Certificated shareholders**

1.3.1 You may attend the general meeting and speak and vote thereat, subject to sections 57 and 58 of the Companies Act.

1.3.2 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 Tuesday, 20 September 2016. Alternatively forms of proxy may be handed to the chairman prior to the commencement of the general meeting.

1.4 **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:

1.4.1 must contact the company (by email to sumari.viljoen@enxgroup.co.za) by no later than 10:00 on Tuesday, 20 September 2016 in order to obtain a secure code and instructions to access the conference call;

1.4.2 will be required to provide reasonably satisfactory identification; and

1.4.3 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.

## 2. CONSOLIDATION

The following does not apply to dematerialised shareholders. The accounts of dematerialised shareholders at their CSDP or broker will automatically be updated to reflect the consolidation.

2.1 In order for certificated shareholders to receive new share certificates showing the revised capital structure after the consolidation, they are requested to surrender their original share certificates or other documents of title to the transfer secretaries. A form of surrender which is attached to this circular must be sent, together with the relevant documents of title, to the transfer secretaries.

2.2 Replacement share certificates will be posted by registered post at the risk of the addressee on the dates to be published in the consolidation finalisation announcement, which dates are dependent upon when the requisite resolutions are filed by CIPC. The date by which documents of title are to be received by the transfer secretaries will also be published in the finalisation announcement.

2.3 Additional copies of the form of surrender are available on request from the transfer secretaries. If any person who is not the registered holder of shares in the company or the company lodges with the transfer secretaries a share certificate or a certified transfer deed or other valid document of title for shares in the company together with a properly completed transfer form for registration of the said shares, then a share certificate in the name of the transferee named in the abovementioned transfer form for the appropriate shares will be posted by registered post at the risk of the addressee, to the transferee's address reflected on such transfer form, provided that no replacement certificates have already been issued in respect of the documents of title so lodged.

2.4 The company uses the "certified transfer deeds and other temporary Documents of Title" procedure approved by the JSE and, therefore, will issue only one "block" certificate for each surrender.

2.5 The new share certificates will be restrictively endorsed if the existing share certificates or other documents of title lodged are restrictively endorsed under the exchange control regulations or if the address of the certificated shareholder concerned is outside the Common Monetary Area. If the share certificates represent blocked assets of a former resident of South Africa, the new certificate will be sent to the authorised dealer in foreign exchange in South Africa controlling such former resident's blocked assets.

2.6 All non-residents must give the name and address of the authorised dealer in foreign exchange in South Africa to whom, where applicable, share certificates must be sent as set out above in the space provided, on the attached form of surrender. The company will retain the share certificates until such information is provided.

2.7 If the non-resident is not a former resident, the share certificate will be sent to the address of the non-resident concerned, appropriately endorsed.

2.8 A new certificate will not be despatched to a holder before that holder has surrendered the relevant certificate or other documents of title in respect of the shares held by him/her, provided that if any holder produces evidence to the satisfaction of the company that the certificate in respect of any shares has been lost or destroyed, the company may, in its discretion, dispense with the surrender of such certificate against the provision of an indemnity acceptable to the company.

2.9 No receipt will be issued in respect of documents of title which have been surrendered unless specifically requested. Lodging agents who require a receipt should prepare one and lodge it with the documents for stamping.

**The company does not accept responsibility and will not be held liable for any failure or omission 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. The company does not accept responsibility for the failure of any shareholder to comply with any of the procedures set out above.**

## SALIENT DATES AND TIMES

The definitions commencing on page 6 of this circular apply to this section.

| | **2016** |
|---|---|
| Record date to receive circular (together with the notice convening the general meeting) | Friday, 19 August |
| Circular (together with the notice convening the general meeting) posted | Wednesday, 24 August |
| Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS | Wednesday, 24 August |
| Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press | Thursday, 25 August |
| Last day to trade in order to be eligible to vote at the general meeting | Tuesday, 13 September |
| Voting record date | Friday, 16 September |
| Last day to lodge forms of proxy for the general meeting (by 10:00) | Tuesday, 20 September |
| General meeting held at 10:00 | Thursday, 22 September |
| Results of the general meeting released on SENS | Thursday, 22 September |
| Special resolutions and CIPC documents relating to the consolidation and the authorised share increase submitted to CIPC on | Thursday, 22 September |
| Expected date special resolution relating to the consolidation and the authorised share increase filed by CIPC | Thursday, 6 October |
| Expected date capital raising opens | Monday, 10 October |
| Expected date the consolidation finalisation announcement is published on SENS | Tuesday, 11 October |
| Expected date capital raising closes | Thursday, 13 October |
| Expected last day to trade in existing enX shares prior to the consolidation | Tuesday, 18 October |
| Expected date trading in consolidated enX shares under new ISIN ZAE000222253 commences | Wednesday, 19 October |
| Expected date the price for fractional entitlements is announced on SENS | Thursday, 20 October |
| Expected record date for the consolidation at close of business on | Friday, 21 October |
| Expected date dematerialised shareholders will have their accounts at their CSDP or broker updated to reflect the consolidated enX shares | Monday, 24 October |
| Expected date of issue of new replacement share certificates to certificated shareholders, provided that the old share certificates have been lodged by 12:00 on Friday, 21 October 2016 (share certificates received after this time will be posted within 5 business days of receipt) | Monday, 24 October |
| Expected date on which the placement shares will be listed, allotted and issued to the subscribers | Monday, 31 October |
| Expected date on which the enX consideration shares will be listed, allotted and issued to Eqstra | Tuesday, 1 November |

**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 three business days after such trade. Therefore, shareholders who acquire enX shares after Tuesday, 13 September 2016 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.

| | |
|---|---|
| "**Act**" or "**Companies Act**" | the South African Companies Act, No 71 of 2008, as amended from time to time; |
| "**AGL**" | African Group Lubricants Proprietary Limited (Registration number 2014/176422/07), a private company duly incorporated in accordance with the laws of South Africa; |
| "**AGL acquisition**" | the acquisition by enX of the remaining 37.6% issued shares and shareholder claims against AGL for an aggregate base purchase consideration of R20.4 million, as further detailed in **Annexure 9** of the revised listing particulars; |
| "**Anchor Capital**" | one of the co-underwriters, Anchor Capital Proprietary Limited (Registration number 2009/002925/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in **Annexure 10**; |
| "**authorised share increase**" | the increase of enX's authorised shares, as detailed in paragraph 11 of this circular; |
| the "**board**" | the board of directors of enX; |
| "**business day**" | any day other than a Saturday, Sunday or official public holiday in South Africa; |
| "**CapLeverage**" | CapLeverage Proprietary Limited (Registration number 2012/104071/07), a limited liability private company duly incorporated in accordance with the laws of South Africa, and whose shareholders are Paul Baloyi (as to 45%), O'Flaherty Projects Proprietary Limited (of which Paul O'Flaherty is a director) (as to 25%), Nombulelo Moholi (as to 20%), Alon Fowler (as to 5%), Paul Kibuuka (as to 2.5%) and Letu Matlala (as to 2.5%); |
| "**CapLeverage specific issue**" | the specific issue of 140 637 983 enX shares to Samvenice at R1.52 per share for an aggregate subscription amount of R213 769 734.16, implemented on 8 September 2015; |
| "**Centlube**" | Centlube Proprietary Limited (Registration number 2011/126819/07), a private company duly incorporated in South Africa, whose shareholders are Friedshelf and Centlube Holdings, thus being wholly-owned by enX; |
| "**Centlube acquisition**" | the acquisition by enX of an effective 100% shareholding in Centlube Holdings by way of the acquisition of the Centlube equity from the Hinckley Trust and Friedshelf from the Friedshelf shareholders with effect from 1 December 2014 as further detailed in paragraph 1 of **Annexure 9** of the revised listing particulars and as set out in the circular to shareholders issued on 30 October 2014; |
| "**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; |
| "**Classic International**" | one of the co-underwriters, Classic International Impex Proprietary Limited (Registration number 1961/000408/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in **Annexure 10**; |
| "**CMPR division**" | the Contract Mining and Plant Rental division of Eqstra, which will be the sole remaining asset of Eqstra after the implementation of the Eqstra transaction; |
| "**consolidation**" or "**share consolidation**" | the consolidation of the authorised and issued shares of enX on an 11 to 1 basis as detailed in paragraph 14 of this circular; |

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|---|---|
| "**consolidation finalisation announcement**" | the announcement to be released on SENS notifying enX shareholders that CIPC has accepted the special resolution relating to the consolidation, and further notifying shareholders of the salient dates for the consolidation; |
| "**conditions precedent**" | the outstanding conditions precedent to the Eqstra transaction as set out in paragraph 6 of this circular; |
| this "**circular**" or "**category 1 circular**" | this circular, dated 24 August 2016, including all annexures thereto; |
| "**co-underwriters**" | Anchor Capital, First Avenue, Ellerine Group, Richmark and Classic International; |
| "**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; |
| "**Ellerine Group**" | one of the co-underwriters, Ellerine Group Proprietary Limited (Registration number 1968/105/292/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in **Annexure 10**; |
| "**enlarged enX group**" | the company and its subsidiaries after the implementation of the Eqstra transaction; |
| "**enX**" or "**company**" | enX Group Limited (Registration number 2001/029771/06), a public company listed on the JSE and duly incorporated in accordance with the laws of South Africa; |
| "**enX consideration shares**" | the 52 715 390 enX ordinary shares to be allotted and issued to Eqstra in terms of the Eqstra transaction at R21.00 per enX share; |
| "**enX Forfeitable Share Plan**" | the proposed forfeitable share plan, to be adopted by enX shareholders at the general meeting, the salient features of which are set out in **Annexure 11**; |
| "**enX group**" or "**group**" or "**existing enX group**" | the company and its subsidiaries as at the last practical date; |
| "**enX loan**" | the loan of R700 million to be advanced by enX to MCC as part of the Eqstra transaction, as detailed in Part I of this circular; |
| "**Eqstra"** | Eqstra Holdings Limited (Registration number 1998/011672/06), a public company listed on the JSE and duly incorporated in accordance with the laws of South Africa, which will change its name to eXtract Group Limited post the Eqstra transaction; |
| "**Eqstra circular**" | the circular dated 24 August 2016, to be issued by Eqstra to Eqstra shareholders in respect of the Eqstra transaction; |
| "**Eqstra Corporation**" | Eqstra Corporation Limited (Registration number 1984/007045/06), a public company duly incorporated in accordance with the laws of South Africa and wholly-owned by Eqstra; |
| "**Eqstra main agreement**" | the agreement entered into between enX and Eqstra dated 29 June 2016 (as amended on or about 29 July 2016 and 4 August 2016) in respect of the Eqstra transaction, the salient features of which are set out in Part I of this circular; |
| "**Eqstra NewCo**" | Eqstra Investments Proprietary Limited (formerly Blue Falcon 263 Trading Proprietary Limited) (Registration number 2015/323818/07), a private company duly incorporated in accordance with the laws of South Africa, which will acquire the IE and FML divisions. Eqstra NewCo is currently a dormant wholly-owned subsidiary of Eqstra and will become a wholly-owned subsidiary of enX in terms of the Eqstra transaction; |
| "**Eqstra note programme**" | the Eqstra Corporation R8 000 000 000.00 (eight billion Rand) Domestic Medium Term Note Programme; |

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|---|---|
| "**Eqstra ordinary shares**" | the authorised ordinary shares of no par value of Eqstra; |
| "**Eqstra ordinary share subscription**" | the subscription by enX for 101 400 000 Eqstra ordinary shares at an issue price of R1.00 per Eqstra ordinary share, as part of the Eqstra transaction, as detailed in Part I of this circular; |
| "**Eqstra transaction**" | the transaction between enX and Eqstra, as detailed in the Eqstra main agreement, comprising, *inter alia*, the IE and FML acquisitions, the MCC preference share subscription, the Eqstra ordinary share subscription and the enX loan, as detailed in Part I of this circular; |
| "**Eqstra transaction agreements**" | the series of inter-conditional documents and agreements giving effect to the Eqstra transaction, the salient features of which are set out in Part I of this circular and **Annexure 8** of this circular; |
| "**Financial Markets Act**" | Financial Markets Act, 2012 (Act No. 19 of 2012), as amended or replaced from time to time; |
| "**First Avenue**" | one of the co-underwriters, First Avenue Investment Management Proprietary Limited (Registration number 2008/027511/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in **Annexure 10**; |
| "**FML division**" | Eqstra's Fleet Management and Logistics Division, comprising the following Eqstra subsidiaries: Eqstra Corporation, Eqstra Fleet Services (PVPS) Proprietary Limited, Amasondo Fleet Services Proprietary Limited, Eqstra FlexiFleet Proprietary Limited, GPS Tracking Solutions Proprietary Limited, Eqstra Fleet Services Namibia Proprietary Limited, Eqstra Lesotho Proprietary Limited, Eqstra Zambia Limited, Fleet Services Lesotho Proprietary Limited, Eqstra (Swaziland) Proprietary Limited, Omatemba Fleet Services Proprietary Limited, Eqstra Risk Solutions Proprietary Limited, Eqstra Financial Services Proprietary Limited and Eqstra NH Equipment Proprietary Limited, which will be acquired by enX as part of the Eqstra transaction; |
| "**Friedshelf**" | Friedshelf 1320 Proprietary Limited (Registration number 2012/001052/07), a private company duly incorporated in South Africa and a wholly-owned subsidiary of enX; |
| "**general meeting**" | the general meeting of enX shareholders (including any adjournment or postponement thereof), to be held at 10:00 on Thursday, 22 September 2016 at the registered office of the company, called for the purpose of passing, with or without modification, the resolutions set out in the notice of general meeting attached to this circular; |
| the "**IDC**" | the Industrial Development Corporation of South Africa Limited, a corporation established in terms of section 2 of the Industrial Development Corporation Act, 22 of 1940; |
| "**IE and FML acquisitions**" | the acquisition by enX of all of the issued shares of Eqstra NewCo, which will own the IE and FML divisions, as part of the Eqstra transaction, as detailed in Part I of this circular; |
| "**IE division**" | Eqstra's Industrial Equipment Division, comprising the following Eqstra subsidiaries: Saficon, Impact Fork Truck Limited (including its two wholly-owned subsidiaries, Apollo Plant Limited and Abex Limited), Eqstra TA Equipment Proprietary Limited and 600SA Holdings Proprietary Limited, which will be acquired by enX as part of the Eqstra transaction; |
| "**IFRS**" | International Financial Reporting Standards; |
| "**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 and bookrunner 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 practical date**" | 10 August 2016, being the last practical 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; |
| "**management agreement**" | the management services agreement entered into between enX and Wild Rose Management on or about 18 April 2013, in terms of which Wild Rose Management provided strategic and business support services to the enX group to supplement the internal executive capacity of enX and assist in managing the business of the enX group and which terminated on 14 May 2016; |
| "**MCC**" | MCC Contracts Proprietary Limited (Registration Number 1983/008084/07), a private company duly incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of Eqstra; |
| "**MCC preference shares**" | the authorised, cumulative, fixed rate, redeemable preference shares of MCC, to be issued to enX as detailed in paragraph 7.2 of this circular; |
| "**MCC preference share subscription**" | the subscription by enX for 400 MCC preference shares to the value of R600 million, as part of the Eqstra transaction, as detailed in Part I of this circular; |
| "**MOI**" | the existing memorandum of incorporation of enX; |
| "**own name dematerialised shareholders**" or "**own name dematerialised enX shareholders**" | dematerialised shareholders who/which have elected own-name registration; |
| "**placement**" | the placement of enX shares at the placement price up to a maximum amount of R1.5 billion, by way of a private placement process and the specific issue; |
| "**placement price**" | the subscription price payable in respect of each of the placement share, being an amount of not less than R21.00 per placement share, following the consolidation; |
| "**placement shares**" | the new enX shares to be issued pursuant to the placement; |
| "**R**" or "**Rand**" | South African Rand; |
| "**revised listing particulars**" | the revised listing particulars of enX dated 24 August 2016 accompanying this circular and providing additional information in relation to the enlarged enX group after the implementation of the Eqstra transaction; |
| "**Richmark**" | one of the co-underwriters, Richmark Proprietary Limited (Registration number 2000/013818/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in **Annexure 10**; |
| "**Saficon**" | Saficon Industrial Equipment Proprietary Limited (registration number 1970/002074/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Eqstra; |
| "**Samvenice**" | Samvenice Trading 1 Proprietary Limited (registration number 2014/234760/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of CapLeverage; |
| "**SENS**" | the Stock Exchange News Service, the news service operated by the JSE; |
| "**share**" or "**ordinary share**" or "**enX ordinary share**" | an ordinary share of no par value of the company; |
| "**shareholders**", "**ordinary shareholders**" or "**enX shareholders**" | the registered holders of shares; |
| "**South Africa**" | the Republic of South Africa; |

| | |
|---|---|
| "**specific issue**" | the specific authority to issue shares for cash, pursuant to which enX intends to issue a minimum of 35 707 286 new enX shares to certain of the co-underwriters and to undertake the placement, up to a maximum amount of R1.5 billion, as detailed in Part II of this circular; |
| "**Strate**" | Strate Proprietary Limited (Registration number 1998/022242/07), a 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; |
| "**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; |
| "**underwriting agreement**" | the underwriting and subscription agreement entered into between the co - underwriters and enX dated 29 June 2016; |
| "**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; |
| "**VAT**" | value added tax as defined in the Value Added Tax Act, 1991, as amended; |
| "**VWAP**" | volume weighted average traded price per enX share; |
| "**WAI**" | West African International Proprietary Limited (Registration number 1995/008104/07) and its subsidiaries, a private company duly incorporated in accordance with the laws of South Africa; |
| "**WAI acquisition**" | the acquisition by enX of all of the issued shares and shareholders claims of WAI for an aggregate purchase consideration of R250 million, the salient features of which are set out in **Annexure 9** to the revised listing particulars; |
| "**Wild Rose Capital**" | Wild Rose Capital Proprietary Limited (Registration number 2012/069330/07) (formerly Ricophase Proprietary Limited), 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. |
| "**Wild Rose Management**" | Wild Rose Management Proprietary Limited (Registration number 2011/008234/07) (formerly JFN Management Proprietary Limited), a private company duly incorporated in accordance with the laws of South Africa, the shareholders of which are Paul Mansour, The JSF Family Trust (of which Jarrod Friedman is a trustee and beneficiary), Christian Neuberger and the SADES Family Trust (of which Steven Joffe is a trustee and beneficiary); and |

# enX Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 2001/029771/06)
JSE share code: ENX ISIN: ZAE000195723
("**enX**" or "**the company**")

**Directors**

Steven Joffe[#] *(Chairman)*
Paul Mansour *(Chief executive officer)*
Irwin Lipworth *(Financial director)*
Mpho Makwana* *(Lead independent non-executive director)*
Paul Baloyi[#] *(Alternate Mamosa Motjope[+])*
Nopasika Lila*
Tony Phillips*
Paul O'Flaherty[#]

[#] Non-executive director
* Independent non-executive director
[+] Resigned as an alternate director from 31 August 2016

## CIRCULAR TO SHAREHOLDERS

### 1. INTRODUCTION

1.1 It was announced on SENS on Thursday, 30 June 2016 that enX has concluded an agreement with Eqstra in terms of which, *inter alia* enX will acquire all of the issued shares of Eqstra Newco, a newly incorporated subsidiary of Eqstra, which will own the IE and the FML divisions, for an aggregate consideration of approximately R7.8 billion, to be settled by enX as follows:

1.1.1 the allotment and issue of 52 715 390 new enX shares at R21.00 per enX share (post consolidation) and post the placement;

1.1.2 assuming approximately R5.2 billion of Eqstra group's debt obligation, of which R4.8 billion is currently within the IE and FML divisions; and

1.1.3 the recapitalisation of Eqstra to the value of approximately R1.4 billion by way of enX:

1.1.3.1 subscribing for 101 400 000 new Eqstra ordinary shares at R1.00 per Eqstra ordinary share;

1.1.3.2 subscribing for 400 new MCC preference shares for an aggregate subscription price of R600 million; and

1.1.3.3 advancing the enX loan of R700 million to MCC.

1.2 enX has, in terms of the Eqstra main agreement, been granted a call option to subscribe in one or more tranches for Eqstra ordinary shares (at R1.50 per Eqstra ordinary share), to the value of R600 million. The call option may be exercised at any time after all of the MCC preference shares have been redeemed or, if the MCC preference shares have not been redeemed by the 5th anniversary after their issue date, by no later than 30 days after the expiry of the 5th anniversary. The call option shall lapse on the 30th day following the 5th year from the date of issue of the MCC preference shares, to the extent that it has not previously been exercised.

1.3 enX will be constituted as a shareholder of reference of Eqstra (which, post the disposal by Eqstra of the IE and FML division to enX in terms of the Eqstra transaction, will have the CMPR division as its sole remaining business).

1.4 The enX consideration shares will be distributed to Eqstra shareholders in the ratio of 0.13 enX consideration shares for every 1 Eqstra share held at the close of business on the relevant record date. The unbundling will be effected as a dividend in specie in compliance with the provisions of section 46(1)(a)(ii) of the Companies Act read with section 46 of the Income Tax Act, 58 of 1962. The unbundling is one of several transaction steps required to implement the Eqstra transaction. Immediately after the unbundling, Eqstra shareholders will collectively hold approximately 29.6% of the issued shares of enX.

1.5 enX intends to fund the IE and FML acquisitions and its investment in Eqstra by:

1.5.1 issuing the enX consideration shares to Eqstra pursuant to an acquisition issue; and

1.5.2 raising R1.5 billion of cash to fund (i) the Eqstra ordinary share subscription, (ii) the MCC preference share subscription, (iii) the enX loan to MCC and (iv) approximately R100 million for enX transaction costs and general corporate purposes. The capital raise is to be implemented by way of the allotment and issue of enX shares pursuant to a specific authority to issue shares for cash. The capital raise has been fully underwritten by the co-underwriters.

1.6 Prior to the implementation of the Eqstra transaction, enX intends to consolidate its authorised and issued shares in the ratio of 11 to 1 (such that each shareholder will hold 1 share post-consolidation for every 11 shares held before the consolidation) and thereafter to increase its authorised shares by creating an additional 909 090 910 enX ordinary shares. These amendments to the enX capital structure are to be implemented independently of the Eqstra transaction.

1.7 The Eqstra transaction constitutes a category 1 transaction for enX in terms of the Listings Requirements, requiring the approval of enX's shareholders by way of a resolution passed at a general meeting.

1.8 The purpose of this circular is, *inter alia*, to:

1.8.1 provide shareholders with information regarding the Eqstra transaction, the placement, the authorised share increase, the consolidation and the manner in which they will be implemented; and

1.8.2 convene a general meeting of shareholders to be held at 10:00 on Thursday, 22 September 2016.

1.9 The Eqstra transaction constitutes a reverse takeover in terms of the Listings Requirements (but not in terms of IFRS) and it is also anticipated that the number of enX shares to be issued pursuant to the Eqstra transaction and placement will increase the total number of enX shares in issue by more than 50%. Accordingly, as is required in terms of the Listings Requirements, revised listing particulars have been prepared and posted to shareholders together with this circular.

## 2. OVERVIEW OF enX

2.1 enX is an industrial energy and supplies group that provides quality branded power and fuel and chemical 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 enX has been listed in the JSE's "Industrial Engineering" sector, "Industrial Machinery" sub-sector since 2007. enX was formerly called Austro Group Limited which originated from the woodworking machinery business held by Austro Proprietary Limited, its sole asset at the time of listing in 2007. The group subsequently acquired its power, oil lubricant and chemical businesses. As a result of this expansion away from woodworking, the board elected to change the name of the group to enX to better reflect its new composition and strategic direction.

2.3 The enX group operates through the following business units:

2.3.1 Power, which incorporates:

2.3.1.1 the Private Power Sales division, which designs, manufactures, supplies, installs and maintains commercial and industrial diesel generators;

2.3.1.2 the Power Product Distribution division, which distributes industrial engines, marine engines and components; and

2.3.1.3 the Temporary Power division, which rents out temporary power in the form of diesel generators;

2.3.2 Fuel and Chemicals, which incorporates the production, marketing and distribution of oil lubricants and chemicals in sub-Saharan Africa; and

2.3.3 Wood, which engages in the distribution of professional woodworking equipment, tooling and edging and the provision of associated services.

2.4 enX's material operating subsidiaries include New Way Power Proprietary Limited (incorporating Genmatics), Power $O^2$ Proprietary Limited, Austro Proprietary Limited, Centlube, WAI and AGL.

2.5 Pursuant to the WAI acquisition and the subsequent acquisition of the remaining shares in AGL such that AGL is now a wholly-owned subsidiary of enX, enX will increase its market share in the oil lubricants market in South Africa. In addition, the acquisition will increase enX's exposure to Sub-Saharan Africa and increase its proportion of United States Dollar denominated revenues. The chemicals distribution business of the WAI group brings a stable, defensive and cash generative business into enX in the speciality chemicals sector with strong and profitable market positions in targeted sectors. The business has an experienced management team and a well established distribution platform with which to introduce new products. It will also open up a new channel for acquisitive growth opportunities for the enX Group.

## 3. OVERVIEW OF EQSTRA

Eqstra listed on the main board of the JSE in 2008 after unbundling from Imperial Holdings Limited and operates in South Africa, the rest of Africa, the United Kingdom and Ireland, employing approximately 5 800 people. As at the last practical date, Eqstra comprises 3 decentralised divisions (IE, FML and CMPR). In terms of the Eqstra transaction, enX will acquire the IE and FML divisions of Eqstra and, following the Eqstra ordinary share subscription, enX will be constituted as a shareholder of reference in Eqstra, whose sole remaining operations will be CMPR division.

### 3.1 IE division

The IE division provides distribution, rental and value added services for industrial and materials handling equipment in South Africa, various African countries and the United Kingdom. It remains the market leader in the Southern African forklift segment, with the largest infrastructure of its kind in the region.

The division has exclusive distribution rights in Southern Africa for Toyota Forklift, BT Warehousing equipment, Flexi Narrow Aisle forklifts, Konecranes (SMV) heavy duty forklifts and container handling equipment, Broderson carry-deck cranes, Terberg terminal tractors, Fassi truck-mounted cranes, Link-Belt mobile cranes, Hoppecke batteries and chargers, Hako industrial cleaning equipment, JCB Industrial Equipment, Fini air compressors and Same Deutz-Fahr (SDF) tractors and combine harvesters.

The range of services includes long and short term rentals, service and maintenance contracts, sales of new and used equipment and parts, fleet management, operator driver training, load testing and battery bay management.

The IE division operates from 7 branches, 5 depots and many dealerships in Southern Africa with representation in Angola, Botswana, Mozambique, Malawi, Madagascar, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

The UK industrial equipment business, Impact Fork Truck Limited (Impact) is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK and Ireland.

### 3.2 FML division

The FML division provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. It also provides fleet management solutions for commercial vehicle fleet owners and logistics solutions. Its footprint is in South Africa and sub-Saharan Africa. The FML division's commercial vehicle operations are supported by a nationwide network of workshops and panel repair shops.

The FML division is partnering with some of the largest work fleets across the country. It leverages its innovation and investment in technology to deliver great service, measurable value and process consistency. Its ultimate objective is to ensure its customers maximise their return on investment through improved efficiencies and value-added services.

By renting assets and providing non-capital intensive services, the division generates a high-margin, annuity-type revenue stream.

3.3 **CMPR division**

The CMPR division, also known as MCC, is an established provider of opencast contract mining services including drilling, blasting, load hauling and rehabilitation. The CMPR division has one of the largest opencast contract mining equipment fleets in South Africa. The plant rental and leasing component of the business provides customised short and long term renting and leasing of heavy earth moving equipment within the mining sector.

The division, through its various projects, has a diversified exposure to commodities, including platinum, chrome, diamonds, limestone and coal.

The CMPR division's footprint includes South Africa and also extends beyond South Africa into Namibia, Botswana, Lesotho, Swaziland and Mozambique.

## 4. PROSPECTS AND STRATEGY

Post the completion of the Eqstra transaction, the enX businesses will be arranged and managed under three clusters, in addition to enX's strategic investment in Eqstra (which will be renamed eXtract Group Limited). An overview of the three clusters and the growth strategy of each is set out below:

4.1 Industrial Equipment, which will comprise the IE division and enX's existing power and wood businesses:

4.1.1 The IE division (South Africa) will seek to maintain its share of the local forklift market. The tactics to be employed by the team are centred on partnerships with key suppliers to ensure high quality products are available to customers at good prices and on competitive terms. In addition, the local operations will seek to grow revenues from maintenance and services, as customers delay future purchases of capital equipment.

4.1.2 The IE division (United Kingdom) will seek to expand its market share significantly. The key driver for this growth is intended to be the acquisition of a complementary forklift business and a long-term partnership with a multinational forklift manufacturer.

4.1.3 The Power business will seek to generate new sources of power related revenues. It will also consolidate its operations as capital equipment purchases have slowed post the load shedding and slowdown in the economy experienced in 2015. To this end, the business will focus on efficiencies and cost savings.

4.1.4 The Wood business will seek to grow consumable and service revenues, which are more annuity based in nature and typically at a higher gross margin than equipment sales. Whilst the sale of wood equipment has been buoyant, this component of revenue is considered cyclical.

4.2 Fleet Management comprising only the FML division:

4.2.1 The FML division will be focused on growing revenues derived from complementary services to the fleet offering. Such services are capital light and typically at a higher gross margin. Capital will also be made available to this division to pursue new customer contracts. In addition, the FML division expects efficiencies following the roll out of its cutting edge IT operating system, Quest.

4.3 Fuel and Chemicals comprising oil lubricants and the chemicals distribution business of recently acquired WAI:

4.3.1 The lubricants business will focus on growing its distribution and contract manufacturing volumes as well as seek new product opportunities through its key suppliers partnerships. The integration of AGL will present opportunities to rationalise costs and improve efficiencies.

4.3.2 The chemicals business will focus on growing market share in selected and niche chemicals where decent gross margins can be extracted. This is typically forthcoming from chemicals that are technically superior and/or have a particular brand association. The business will also seek complementary bolt-on acquisitions whereby it can generate greater volumes over its existing distribution channels.

4.4 Strategic investment into the CMPR division:

4.4.1 Eqstra will focus on improving the efficiencies of the mines on which they currently operate as well as looking for new projects that will diversify Eqstra's geographic and commodity exposure. Over the next 24 months, management will continue to realise best value for the impaired excess and idle assets, the majority of the proceeds of which will most likely be applied to repay debt. Longer term Eqstra will position itself as a mining services entity and look to grow by acquisition.

4.5 The broader industrial focus of enX post implementation of the Eqstra transaction may result in the addition of new clusters should the valuation and growth prospects of such business prove to be attractive.

## PART 1: THE EQSTRA TRANSACTION

### 5. RATIONALE FOR THE EQSTRA TRANSACTION

enX's stated goal is to build a substantial industrial company. The Eqstra transaction represents an opportunity to take a significant step towards achieving this goal. It will establish enX as a sizeable industrial platform which will be well positioned for growth.

The IE and FML divisions introduce stable, established and profitable businesses with strong market positions and good growth prospects. The CMPR division is a leader in its industry and, despite challenging trading conditions, presents a levered exposure to any improvement in commodity prices and debt reduction brought about by cash generated from the realisation and/or redeployment of its idle fleet.

The Eqstra transaction is structured in such a way so as to address and overcome issues that, in enX's view, are suppressing value in each division and place them on a sustainable growth path. In this context:

5.1 the introduction of a significant amount of new equity enables the restructuring of the borrowings of each division (and in the case of the CMPR division results in a material reduction in third party borrowings) so that it more closely matches their respective operational risks, capital expenditure requirements and cash flow profiles. The equity introduction and restructuring removes the near term liquidity risks currently being faced by the divisions and the constraints on growth capital that have been placed on the IE and FML divisions over the past few years;

5.2 the IE and FML divisions on the one hand are being separated from the CMPR division on the other hand, they will have dedicated boards and operational management and equity investors will be able to select which division they wish to have exposure to; and

5.3 Wild Rose Capital and enX's empowerment shareholder, CapLeverage, are established as shareholders of reference in the IE and FML divisions and in Eqstra to drive (via enX) the direction of the businesses going forward.

### 6. CONDITIONS PRECEDENT

The Eqstra transaction (and in particular the Eqstra main agreement) remains conditional upon, *inter alia*, the following:

6.1 the securing of all approvals required by the Competition Act, 89 of 1998 and applicable anti-trust legislation in various sub-Saharan African countries in which the IE and FML divisions currently operate, to enable the Eqstra transaction to be implemented on an unconditional basis or alternatively on conditions reasonably acceptable to Eqstra and enX. In the event of there being a delay in respect of the grant of any competition approvals required to implement the Eqstra transaction in any of Botswana, Namibia, Swaziland and Zambia, enX has the right to waive fulfilment of that condition precedent on the basis that the particular condition waived shall be deemed to become a term of the Eqstra main agreement, requiring the grant of the necessary approval from the relevant competition authority for that part of the Eqstra transaction to be implemented in the affected jurisdiction, as a pre-condition to its implementation in that jurisdiction;

6.2 the securing of all approvals, to the extent legally required, from all regulatory authorities (including the Takeover Regulation Panel) to implement the Eqstra transaction;

6.3 the requisite majority of shareholders of each of MCC, enX and Eqstra approving all ordinary and special resolutions required to be passed in terms of the Companies Act and the Listings Requirements to give effect to the Eqstra transaction;

6.4 the requisite majority of shareholders of enX approving the special resolutions required to give effect to the consolidation and enX's authorised share increase;

6.5 the securing of the requisite approval of the JSE for the listing on the JSE of all shares to be issued by enX pursuant to the implementation of the Eqstra transaction;

6.6 the Eqstra group's bankers furnishing all consents and waivers required for the implementation of the Eqstra transaction;

6.7 to the extent necessary, minority shareholders in several Eqstra subsidiaries waiving any pre-emptive or similar rights that they may enjoy and which may otherwise be triggered by implementation of the Eqstra transaction;

6.8 the signature of credit and/or financing agreements with Eqstra's principal bankers relating to the refinancing of existing facilities and such agreements becoming unconditional in accordance with their terms;

6.9 Eqstra delivering to enX a copy of duly signed extension letters or agreements which have become unconditional and which have the effect of extending the duration of certain material agreements;

6.10 to the extent required, counter-parties to certain material agreements to which the Eqstra group is a party, furnishing any required agreements, consents and approvals in order to ensure that the relevant agreements are extended, renewed and/or are not subject to cancellation or amendment or any other adverse or contractual consequence that may otherwise be triggered as a result of or pursuant to the implementation of the Eqstra transaction;

6.11 each of the other Eqstra transaction agreements (other than the Eqstra main agreement) required to implement the Eqstra transaction, is signed and becomes unconditional in accordance with its terms;

6.12 prior to the implementation of the Eqstra transaction, there will not have arisen or occurred (or might reasonably be expected to arise or occur) any event, circumstance or matter which has or is likely to have or could reasonably be expected to have a material adverse effect on the validity or enforceability of the Eqstra main agreement and/or the business, properties, condition (financial or otherwise), operations, performance or prospects of:

6.12.1 the Eqstra group; and/or

6.12.2 the enX group.

The Eqstra transaction is required to become unconditional in all respects by no later than 31 March 2017.

## 7. MATERIAL TERMS OF THE EQSTRA TRANSACTION

The Eqstra transaction is to be implemented by way of an indivisible series of sequential transaction steps. Each step is contingent upon the other in order to achieve:

- the internal Eqstra group restructure required to establish Eqstra Newco;
- the restructuring of the Eqstra group's debt and funding arrangements (as detailed in paragraph 8 below); and
- the Eqstra transaction being implemented in accordance with the agreed terms.

If any individual step in the transaction process cannot or is not completed in accordance with the Eqstra main agreement, the Eqstra transaction will not be implemented. In this regard, shareholders are referred to the Eqstra circular for additional information on the Eqstra transaction and the salient terms and conditions of the Eqstra group internal restructuring and process steps that are to be implemented by the Eqstra group in order to give effect to the Eqstra transaction.

### 7.1 The IE and FML acquisitions

Eqstra will acquire all of the issued shares of Eqstra Newco, which will own the IE and the FML divisions and recapitalise the Eqstra group for an aggregate consideration of R7.8 billion, to be settled by enX by:

7.1.1 allotting and issuing 52 715 390 enX shares to Eqstra at R21.00 per enX share (post the share consolidation, detailed in paragraph 15 below);

7.1.2 assuming approximately R5.2 billion of Eqstra group's debt obligations, of which R4.8 billion is currently held within the IE and FML divisions; and

7.1.3 undertaking the placement to achieve an equity capital raise of R1.5 billion.

### 7.2 The Eqstra ordinary share subscription

enX will subscribe for 101 400 000 Eqstra ordinary shares at R1.00 per Eqstra ordinary share at an aggregate subscription price of R101 400 000, which new Eqstra ordinary shares will on issue constitute approximately 20% of the enlarged issued ordinary shares of Eqstra. Eqstra will use all of the aforesaid subscription proceeds to subscribe for additional ordinary shares in MCC as more fully detailed in the Eqstra circular. These subscription monies shall then be applied in full by the MCC group to reduce its debt obligations to its existing lenders.

7.3 **The MCC preference shares**

7.3.1 enX will subscribe for 400 MCC preference shares at R1 500 000 each, for an aggregate subscription price of R600 million (constituting 100% of the issued preference shares of MCC). These subscription monies shall be applied in full by the Eqstra group to reduce its debt obligations to its existing lenders.

7.3.2 The MCC preference shares will comprise unlisted cumulative, redeemable, preference shares that will have the following salient rights and privileges:

7.3.2.1 the holders of the MCC preference shares will be entitled to a coupon equivalent to an after tax rate of 13% n.a.c.q.;

7.3.2.2 the MCC preference shares will be subordinate to and rank behind all bank debt but will rank *pari passu* as to payment with the enX loan and will rank ahead of the Eqstra ordinary shares;

7.3.2.3 no dividends may be declared or paid on any Eqstra ordinary share for so long as any dividend on the MCC preference shares is in arrears and for so long as the MCC preference shares have not been redeemed in full;

7.3.2.4 the MCC preference shares may be redeemed at the option of enX after the third anniversary plus one day of the date of their issue;

7.3.2.5 MCC shall on any date be entitled to voluntarily redeem the MCC preference shares;

7.3.2.6 the MCC preference shares shall be compulsorily redeemed on the fifth anniversary of the date of their issue; and

7.3.2.7 the MCC preference shares will not have voting rights unless and in such event, only for so long as one or more of the following circumstances prevails, *inter alia*, (i) the MCC preference shares are not redeemed in accordance with their terms; or (ii) a special resolution of MCC proposed in terms of section 112 as read with section 115 of the Companies Act in relation to the disposal of all or the greater part of MCC's assets or undertaking; or a resolution of MCC is proposed which affects the rights attached to the MCC preference shares or the interest of the MCC preference shareholder, in which event the MCC preference shares shall in aggregate carry that number of votes which would entitle the MCC preference shareholder to exercise, in aggregate, 95% of the total votes exercisable at a general meetings of MCC.

7.4 **enX call option**

enX has, in terms of the Eqstra main agreement, been granted a call option to subscribe in one or more tranches for Eqstra ordinary shares (at R1.50 per Eqstra ordinary share) to the value of R600 000 000. The enX call option may be exercised by enX at any time after all of the MCC preference shares have been redeemed or, if the MCC preference shares have not been redeemed by the 5th anniversary after their issue date, by no later than 30 days after the expiry of the 5th anniversary. The enX call option will lapse on the 30th day following the 5th year from the date of issue of the MCC preference shares, to the extent it has not previously been exercised.

7.5 **The enX loan**

enX will lend and advance R700 million to MCC which shall be applied by MCC to reduce its debt obligations to its existing lenders. The enX loan shall be subject to the following principal terms:

7.5.1 the loan shall be subordinate to and rank behind the claims of the banks against MCC;

7.5.2 the loan shall benefit from a revisionary security package, ranking second to the security for the bank debt;

7.5.3 the loan shall accrue interest at the rate of 3 month JIBAR + 450 bps; and

7.5.4 the loan and interest shall be repayable from the proceeds of free cash flow of the CMPR division.

In addition to the aforegoing, MCC will use R1.8 billion of new bank borrowings to *pro tanto* repay Eqstra Corporation the amount owing by MCC to Eqstra Corporation leaving a net balance owing by MCC to the Eqstra Corporation of approximately R760 million. The aforesaid debt, which shall be the subject matter of a separate loan of approximately R760 million owing by MCC to Eqstra Corporation, whose terms and conditions will be the same, *mutatis mutandis*, as those which attach to the enX loan. The claims of Eqstra Corporation under the aforesaid loan will rank *pari passu* with the claims of enX in terms of the enX loan.

7.6 **Exclusivity, material adverse consequences and break fee provisions**

7.6.1 Eqstra has undertaken:

7.6.1.1 not to enter into any discussions, negotiations, agreement or arrangement in respect of any transaction or restructuring in competition with the Eqstra transaction (a "**competing offer**"), or take any action which could prevent, hamper or delay the conclusion of the Eqstra transaction, or any part thereof (the "**exclusivity undertakings**"); and

7.6.1.2 to notify enX if Eqstra has received a competing offer or made any information available to a *bona fide* offeror pursuant to a competing offer.

7.6.2 If Eqstra receives a competing offer, enX will be entitled to match or better such competing offer. Irrespective of whether or not enX submits a matching or better offer, Eqstra will still be obliged to put the Eqstra transaction, or any improved offer which may be made by enX to Eqstra shareholders for their approval.

7.6.3 A break fee of R12.5 million shall become payable by Eqstra to enX if (i) Eqstra breaches its exclusivity undertakings, (ii) the Eqstra board withdraws its support or approval of the Eqstra transaction or recommends any competing offer, (iii) the shareholders of Eqstra do not approve with the requisite majority the resolutions required to implement each step of the Eqstra transaction as a result of which the Eqstra transaction fails, or (iv) Eqstra breaches its material obligations in terms of the Eqstra main agreement and fails to remedy any such breach timeously, following receipt of a breach of notice.

7.6.4 enX will be liable for a break fee of R12.5 million to Eqstra if (i) the shareholders of enX do not approve with the requisite majority, those resolutions necessary to approve the implementation of the Eqstra transaction, (ii) if the capital raising is not completed and implemented prior to the implementation of the Eqstra transaction, (iii) enX breaches its material obligations in terms of the main agreement and fails to remedy any such breach timeously following receipt of a breach notice, or (iv) the credit agreements which will refinance existing facilities with Eqstra's principal bankers (complying with the agreed term sheets) are not concluded as a result of enX's fault or as a result of enX unreasonably refusing to enter into any such agreement.

7.7 **enX support agreement**

In terms of a services agreement to be concluded between enX and Eqstra, following final close of the Eqstra transaction, enX will provide certain management services to Eqstra to enable Eqstra to continue to run and operate the CMPR division. The salient features of this agreement are set out in **Annexure 8** to this circular.

7.8 **Ancillary provisions**

7.8.1 The Eqstra main agreement includes warranties, indemnities and undertakings which are usual and normal for a transaction of this nature.

7.8.2 Upon completion of the Eqstra transaction, Eqstra assigns, cedes, transfers and makes over to enX all of its rights, title and interest in and to all its trademarks and intellectual property.

7.8.3 Eqstra has undertaken to change its name so as to exclude the word "Eqstra" from its name and logo and also from the name and logo of each of the other companies and entities which will remain part of the Eqstra group following implementation of the Eqstra transaction.

7.9 **Eqstra's business after the implementation of the Eqstra transaction**

7.9.1 Following the implementation of the Eqstra transaction, Eqstra will continue to be listed on the Main Board of the JSE but will change its name to eXtract Group Limited. Eqstra's primary business will be that of contract mining and plant rental. The entities remaining within the Eqstra group will comprise Eqstra, the CMPR division subsidiaries, Eqstra Botswana Proprietary Limited (subject to the call option detailed in paragraph 7.9.2 below) and the following dormant entities; Eqstra Freight Services Nigeria Limited, Pemberley Fleet Services Proprietary Limited, Eqstra Tanzania Limited and Eqstra East Africa Limited. The CMPR segment in Eqstra's published results represents the most significant portion of the entities that will remain within Eqstra after the transaction.

7.9.2 enX (or its nominee) has been granted a call option in terms of the Eqstra main agreement, to acquire the fleet management and logistics division and the industrial equipment division of Eqstra Botswana Proprietary Limited as a going concern ("**Botswana business**") for R1.00, which call option may be exercised by enX at any time within 6 months following the date upon which the Eqstra transaction has been implemented. To the extent that any loan funding has been advanced to Eqstra Botswana Proprietary Limited, the purchaser of the Botswana business shall refinance that portion of such debt on the effective date of the aforesaid sale.

## 8. EQSTRA DEBT RESTRUCTURE

8.1 Pursuant to the Eqstra transaction, Eqstra NewCo (which will on implementation of the Eqstra transaction be constituted as a member of the enX group) will enter into finance agreements to secure new borrowings from South African banks of up to R2.357 billion, assume noteholder debt of approximately R1.7 billion in terms of the Eqstra Note Programme and assume off-shore debt of approximately GBP45.25 million. A new liquidity facility of R600 million will be provided by South African banks which is to be used exclusively for note holder maturities falling due in April 2017 and April 2018. In addition, an undrawn general banking facility of R400 million and indirect banking facilities for general corporate purposes will also be provided.

8.2 Having obtained approval of the requisite majority of the noteholders in accordance with the terms of the Eqstra Note Programme, at a combined meeting of noteholders and then separate meetings of each of the classes of the noteholders (being the Series 176 noteholders and the Series 191 noteholders), duly held on 22 July 2016, the (i) terms of the Eqstra Note Programme will be amended such that Eqstra and its remaining subsidiaries will be released as guarantors in respect of the Eqstra Note Programme and Eqstra NewCo will replace Eqstra as the parent guarantor; and (ii) terms of the unsecured floating rate notes issued in April 2012 (Series 176) and April 2013 (Series 191), which are due to be finally redeemed in April 2017 and April 2018 respectively, will be amended such that the principal amount outstanding will amortise over three years on a straight line basis commencing on 25 April 2017 and 9 April 2018 respectively and the final redemption dates will be extended to 25 April 2019 and 9 April 2020 respectively.

8.3 Eqstra and MCC will retain South African bank term debt of approximately R450 million and, on the basis that scheduled capital payments are met until the Eqstra transaction closes, off-shore debt of approximately R250 million.

8.4 Proceeds from the Eqstra ordinary share subscription, the MCC preference shares and the enX loan, will be applied by the Eqstra group to reduce its South African bank debt obligations by approximately R1.4 billion, such that the Eqstra group shall retain South African bank term debt of approximately R450 million immediately following the implementation of the Eqstra transaction. MCC and/or Eqstra's bankers will provide undrawn general banking facilities of R200 million and indirect banking facilities for general corporate purposes.

8.5 Following the reduction by MCC of its debt to Eqstra Corporation in an amount of R1,8 billion, utilising the proceeds of new bank borrowings, Eqstra Corporation will in turn reduce its debt to its lenders by an equivalent amount. MCC's then outstanding debt to Eqstra Corporation of approximately R760 million will be the subject matter of the separate loan more fully dealt with in paragraph 7.5 above.

8.6 Long form credit approved term sheets have been concluded with the relevant lender.

8.7 Approximately R600 million is currently due to lenders in Botswana and Mozambique in respect of the CMPR division. Memoranda of understanding have been entered into between Eqstra and each of these lenders which details the framework for restructuring and amortising these facilities.

8.8 All financing and loan agreements to give effect to and implement the debt restructure described above must be signed and have become unconditional in accordance with their terms (save of any conditions therein requiring that the Eqstra main agreement must have become unconditional), before 31 March 2017 at the absolute latest.

## 9. UNDERTAKINGS IN RESPECT OF THE EQSTRA TRANSACTION

9.1 Save as set out in paragraph 12.14 below, each of the shareholders set out in the table below, collectively representing 81.4% of enX shares in issue, have given an irrevocable undertaking to procure that its shares are voted in favour of all of the resolutions on which they are entitled to vote proposed at the general meeting required to conclude and implement the Eqstra transaction. The shareholding of each of the parties which has provided an irrevocable undertaking is set out below.

| Shareholder | Number of enX shares (pre-consolidation) | % of voting rights |
|---|---|---|
| Samvenice Trading 1 Proprietary Limited | 140 637 983 | 24.7% |
| Wild Rose Capital Proprietary Limited | 127 039 201 | 22.3% |
| Peregrine Equities Proprietary Limited | 43 960 421 | 7.7% |
| Peregrine Direct Limited | 37 360 766 | 6.6% |
| David Brouze | 36 089 945 | 6.3% |
| Hillside Trust | 26 302 369 | 4.6% |
| Brian Downs | 20 000 000 | 3.5% |
| Peregrine Nominees Proprietary Limited | 18 266 480 | 3.2% |
| Eric Ellerine | 6 192 598 | 1.1% |
| Paul Mansour* | 3 179 038 | 0.6% |
| Christian Neuberger | 2 225 328 | 0.4% |
| Jarrod Friedman | 2 225 328 | 0.4% |
| **Total** | **463 479 457** | **81.4%** |

* *Director*

9.2 Irrevocable undertakings and indications of support in respect of 60.92% of Eqstra shares in issue to vote in favour of all resolutions required to conclude and implement the Eqstra transaction have been provided, including 0.6% held by Eqstra directors, as set out in the Eqstra circular.

## 10. VENDORS

10.1 Details of the vendors in respect of the Eqstra transaction are set out in **Annexure 6** of the revised listing particulars.

10.2 The vendors have not guaranteed the book debts of the IE and FML divisions. The Eqstra main agreement contains warranties which are usual and normal for transactions of this nature.

10.3 There are no liabilities for accrued taxation that will be settled in terms of the Eqstra main agreement.

10.4 The IE and FML divisions will remain unchanged and any tax liabilities of the IE and FML divisions, including tax liabilities for accrued taxation to date of the Eqstra transaction, will be settled in the ordinary course by the IE and FML divisions from available cash reserves.

10.5 The Eqstra transaction agreements do not preclude Eqstra from carrying on business in competition with the company after the implementation of the Eqstra transaction nor do any of the Eqstra transaction agreements impose any other restrictions on Eqstra and therefore no payment in cash or otherwise has been made in this regard.

10.6 Other than:

10.6.1 as stated in paragraph 25.3.1 below, in respect of enX directors holding enX shares in their capacity as the holders of enX shares;

10.6.2 Steven Joffe in his capacity as the holder of 2 417 965 Eqstra shares; and

10.6.3 Paul Mansour in his capacity as the indirect holder of 109 489 Eqstra shares,

as at the last practical date, no director or promoter of enX (or any partnership, syndicate or other association in which a promoter or director had an interest) has any beneficial interest, direct or indirect in the Eqstra transaction.

10.7 In respect of the Eqstra transaction and save as set out in paragraph 33 below, no cash or securities have been paid or benefit given to any director within the three preceding years of this circular or is proposed to be paid or given to any promoter (not being a director).

10.8 The assets of the IE and FML divisions to be acquired in terms of the Eqstra transaction have not been (and will not prior to the Eqstra main agreement becoming unconditional in all respects, and as part of its implementation, be) transferred to enX and the assets of the IE and FML divisions have, save as set out above, not, to the knowledge of enX, been ceded or pledged to any third party, save for the guarantees and indemnities provided to the current bank funders and note holders, all of which will have been released by the time of implementation of the Eqstra main agreement, and then reconstituted in terms of the revised bank and note holder credit arrangements, and then reconstituted in terms of the revised bank and noteholder credit arrangements.

## PART II: THE AUTHORISED SHARE INCREASE AND SPECIFIC ISSUE

### 11. AUTHORISED SHARE INCREASE

11.1 In order for enX to issue the enX consideration shares and the placement shares, it is necessary to increase the authorised shares of the company. Accordingly, shareholders will be requested to approve the special resolution necessary to implement an increase in the authorised shares of the company from 90 909 090 ordinary shares of no par value (after the consolidation) to 1 000 000 000 ordinary shares of no par value by the creation of an additional 909 090 910 ordinary shares of no par value.

11.2 Shareholders will be requested to approve the special resolution necessary to approve the authorised share increase at the general meeting. In order for the special resolution to be adopted, the support of at least 75% of the total votes exercisable by shareholders present in person or represented by proxy is required.

11.3 The special resolution required for the implementation of the authorised shares increase is not subject to the remaining resolutions, required to implement either the placement or the Eqstra transaction, being approved by shareholders, but is subject to the passing of the special resolution required to approve the consolidation.

### 12. THE SPECIFIC ISSUE AND PLACEMENT

12.1 In order to fund the IE and FML acquisitions and enX's investments into Eqstra and MCC, enX intends to issue 71 428 572 new enX shares pursuant to a specific authority to issue shares for cash, raising a maximum amount of R1.5 billion, which capital raise will be implemented after the consolidation.

12.2 Upon their issue, all ordinary shares issued pursuant to the placement will be listed on the JSE and will rank *pari passu* in all respects with the existing ordinary shares in issue. There are no convertibility or redemption provisions relating to any of the placement shares offered in terms of the placement. There will be no fractions of placement shares offered or issued in terms of the placement.

12.3 All enX shareholders (registered as such on a date to be announced) will be invited to participate in the capital raising process. Subject to a commitment to place a minimum of 35 707 286 new enX shares with certain co-underwriters, as further detailed in paragraph 13 below, the remaining new enX shares will be offered by enX under a specific authority to issue shares for cash.

12.4 The specific issue and placement will be undertaken once the Eqstra main agreement is unconditional.

12.5 Based on shareholder demand, the placement shares will be allocated in the following order of priority:

12.5.1 existing enX shareholders will be entitled to subscribe for enX shares at the placement price *pro rata* to their shareholding in enX;

12.5.2 applications by enX shareholder for excess shares at the placement price will be allocated equitably, taking cognisance of the number of enX shares held by the applicant shareholder;

12.5.3 to the extent that the book of demand has not been filled by orders from enX shareholders at the placement price, placement shares will be allocated to institutional investors who have expressed an interest in acquiring enX shares but who do not hold any enX shares on the date the placement opens.

12.6 The placement process, in respect of enX shares to be issued under a specific authority to issue shares for cash, will be undertaken on an accelerated bookbuild basis (to be managed by Java Capital as bookrunner) immediately preceding the date on with the Eqstra transaction closes. Participants in the placement will submit their price and volume orders into a book of demand and a single clearing price, being the placement price, will be established with reference to orders placed by both existing enX shareholders and institutional investors who have expressed an interest in acquiring enX shares but who do not hold any enX shares on the date the placement opens.

12.7 The placement shares will not be issued at a placement price less than R21.00 per placement share and the placement shares will not be issued at a discount. A further announcement dealing with the accelerated bookbuild process will be made in due course.

12.8 All participants will pay the same placement price for placement shares allocated to them, irrespective of whether they are existing enX shareholders or not.

12.9 The placement shares will be allocated at the discretion of the bookrunner, Java Capital, in consultation with enX. No allocations will be guaranteed and orders placed by any and/or all participants may be scaled back in the event that the placement is oversubscribed.

12.10 Applications will not be subject to any minimum subscription amount.

12.11 The placement is conditional on raising a minimum amount of R1.5 billion, however the placement is fully underwritten in terms of the underwriting agreement.

12.12 The proceeds of the placement will be applied as follows:

12.12.1 R1.4 billion will be utilised to fund enX's investments into Eqstra and MCC, in respect of the Eqstra ordinary share subscription, the MCC preference share subscription and the enX loan;

12.12.2 the balance of the proceeds will be used to cover the expenses of the Eqstra transaction, including underwriting fees of R52.5 million (exclusive of VAT) and expenses incurred in respect of the Eqstra transaction.

12.13 The allocated placement shares will be transferred, on a 'delivery – versus - payment' basis, to successful applicants on the settlement date, which is expected to be Monday, 24 October 2016. Placement shares will be issued in dematerialised form. No certificated placement shares will be issued.

12.14 The placement is being treated as a specific issue of shares for cash under the Listings Requirements, requiring the approval of 75% of the votes exercisable by shareholders, present in person or represented by proxy at the general meeting. As all shareholders will be entitled to participate in the placement, with no minimum subscription, all shareholders will be entitled to vote on the ordinary resolution required to approve the placement. However, as Anchor Capital, Classic International and First Avenue will receive a minimum of 35 707 286 new enX shares, any votes cast in favour of the shareholder's resolution in respect of the specific issue by any of Anchor Capital, Classic International and First Avenue and their associates will not be counted.

12.15 The issuance of enX shares to any of the directors, future directors or prescribed officers of enX, persons related or inter-related to them of the nominees of such persons, is subject to the approval by enX shareholders in terms of section 41(1) of the Companies Act, requiring the approval of 75% of the votes exercisable by shareholders, present in person or by proxy at the general meeting.

12.16 In addition, as the voting power of the enX shares issued pursuant to the Eqstra transaction and the placement may exceed 30% of the voting power of all enX shares held by enX shareholders prior to the implementation of the Eqstra transaction and the placement, the Eqstra transaction and placement are subject to the approval by enX shareholders in terms of section 41(3) of the Companies Act, requiring the approval of 75% of the votes exercisable by shareholders, present in person or by proxy at the general meeting.

12.17 Any directors of enX, its major subsidiaries and their associates who wish to participate in the placement will participate in the placement in the ordinary course on the terms set out in this paragraph 12 and no preferential treatment will be given to any of the directors of enX, its major subsidiaries and their associates in respect of any allocations of placement shares.

12.18 The specific issue and placement are conditional upon:

12.18.1 the Eqstra main agreement becoming unconditional, save for any condition precedent relating to the implementation of the specific issue and placement; and

12.18.2 the shareholders of enX providing all such necessary authorisations and approvals as may be required of them to give effect to the specific issue and placement, as set out in the notice of general meeting.

12.19 Should the placement be oversubscribed, enX reserves the right to allot and issue further enX shares pursuant to the general authority to issue shares for cash being put to shareholders at the general meeting, *mutatis mutandis*, on the same terms as the placement shares.

12.20 To the extent that the placement takes place in a 'closed period' as defined in the Listings Requirements:

12.20.1 Paul Mansour, Steven Joffe and Christian Neuberger will recuse themselves from any decisions taken by Wild Rose Capital in respect of the placement, including whether of not Wild Rose Capital will participate in the placement and the value of placement shares subscribed for; and

12.20.2 Samvenice (in which Paul O'Flaherty and Paul Baloyi hold an indirect beneficial interest) intends subscribing for placement shares to the value of R250 million, subject to Samvenice raising sufficient funds in order to do so. The value of placement shares subscribed for by Samvenice may only be reduced to the extent that Samvenice is unable to secure sufficient funds to participate in the placement to the value of R250 million. Any funds raised less than R250 million by Samvenice will be used solely to subscribe for a proportionate allocation of the placement shares.

## 13. UNDERWRITING AND SUBSCRIPTION

13.1 An underwriting and subscription agreement has been concluded between enX and the co-underwriters in terms of which the co-underwriters will underwrite the full R1.5 billion of the placement at an issue price of R21.00 per new enX share.

13.2 The issue price of R21.00 per new enX share represents a 1 089% premium to the 30 day VWAP as at 29 June 2016, being the date the underwriting agreement was concluded between enX and the co-underwriters. The issue price of R21.00 per new enX share represents an issue price per enX share after the consolidation.

13.3 In terms of the underwriting agreement a minimum of 35 707 286 new enX shares will be issued to Anchor Capital, Classic International and First Avenue pursuant to the specific issue, which shares will be placed prior to shareholders and institutional investors being invited to participate in the placement, as follows:

13.3.1 Anchor has agreed to subscribe for 7 142 857 shares;

13.3.2 Classic International has agreed to subscribe for 23 802 524 shares; and

13.3.3 First Avenue has agreed to subscribe for 4 761 905 shares.

13.4 In addition to the 35 707 286 new enX shares that will be issued to Anchor Capital, Classic International and First Avenue, as set out above, the co-underwriters have agreed, in terms of their underwriting commitment, to underwrite the placement, to the extent that the placement is not fully subscribed, on the following basis:

13.4.1 Anchor Capital has, if required do so, agreed to subscribe for an additional 16 666 667 placement shares;

13.4.2 First Avenue has, if required do so, agreed to subscribe for an additional 9 523 810 placement shares;

13.4.3 Richmark has, if required to do so, agreed to subscribe for 4 761 905 placement shares; and

13.4.4 Ellerine Group has, if required to do so, agreed to subscribe for 4 761 905 placement shares.

13.5 The directors of enX have made due and careful enquiry to confirm that the co-underwriters are able to meet their commitments, as set out in paragraph 13.3 above.

13.6 In consideration for the co-underwriters agreeing to underwrite the placement, the company shall pay to each co-underwriter an underwriting fee of 3.5% of its total underwriting commitment (exclusive of VAT), as follows:

13.6.1 Anchor Capital, 3.5% of R500 million, being R17.5 million;

13.6.2 Classic International, 3.5% of R500 million, being R17.5 million;

13.6.3 First Avenue, 3.5% of R300 million, being R10.5 million;

13.6.4 Ellerine Group, 3.5% of R100 million, being R3.5 million; and

13.6.5 Richmark, 3.5% of R100 million, being R3.5 million.

13.7 The underwriting fee payable on the placement (detailed in paragraph 13.6 above) is within the range of market related rates on underwriting commissions which were payable in respect of other underwritten transactions during the prior two years.

13.8 Further information in respect of the co-underwriters is set out in **Annexure 10** of this circular.

## PART III: THE CONSOLIDATION

### 14. THE CONSOLIDATION

14.1 Prior to the implementation of the authorised share increase, the placement and the Eqstra transaction, it is proposed that enX consolidates its authorised and issued shares on an 11 to 1 basis such that each shareholder will hold 1 share post-consolidation for every 11 shares held before the consolidation. enX's 1 000 000 000 authorised ordinary shares will, as a consequence, be reduced to 90 909 090 authorised ordinary shares and enX's 600 184 057 issued ordinary shares will be reduced to 54 562 187 issued ordinary shares.

14.2 In implementing the consolidation, the company is required by the JSE to apply the rounding principle, that is, a shareholder becoming entitled to a fraction of a share arising from a consolidation will be rounded down to the nearest whole number, resulting in allocations of whole enX shares and a cash payment for the fraction. The value of such cash payment will be the VWAP less 10% on the first day of trade after the last day to trade in order to participate in the consolidation, and will be announced on SENS on the second day of trade after the last day to trade in order to participate in the consolidation.

14.3 The implementation of the consolidation is not subject to shareholders approving the resolutions, required to increase the authorised shares or to implement the placement and the Eqstra transaction.

14.4 The table of entitlement in respect of the consolidation is set out in **Annexure 9**.

14.5 Shareholders will accordingly be requested to consider and, if deemed fit, approve, with or without modification, special resolution number 1 as set out in the notice of general meeting to give effect to the consolidation.

14.6 Subject to the filing and acceptance by CIPC of the special resolution and the MOI amendment, the consolidation will be effective from the date that the special resolution regarding the consolidation is filed with and accepted by CIPC.

14.7 The JSE has agreed to amend the listing of enX's shares to make provision for the consolidation with effect on and as from the date to be announced in the consolidation finalisation announcement under the new ISIN ZAE000222253.

14.8 The record date for purposes of determining those shareholders whose shares will be subject to the consolidation will be detailed in the finalisation announcement and is dependent upon when the requisite special resolution is filed and accepted by CIPC (the "**consolidation record date**"). The last day to trade in enX's shares on the JSE in order to be recorded as a shareholder on the consolidation record date will also be detailed in the finalisation announcement.

### 15. PROCEDURE TO BE FOLLOWED IN RESPECT OF THE CONSOLIDATION

15.1 **Procedure to be followed by certificated shareholders for the consolidation**

Subject to the passing and the filing with and acceptance by CIPC of the special resolution necessary for the consolidation, it is necessary to recall share certificates from certificated shareholders in order to replace them with certificates reflecting the consolidation.

To facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who wish to anticipate the implementation of the consolidation and who do not wish to deal in their existing shares prior to the consolidation are requested to surrender their certificates, under cover of the form of surrender, to the transfer secretaries, at the address set out in that form, prior to the consolidation record date.

Share certificates so received will be held in trust by the transfer secretaries pending the consolidation becoming unconditional. In the event that the consolidation does not become unconditional, the transfer secretaries will, within five business days thereafter, return the certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders.

The results of the general meeting will be announced on SENS on Thursday, 22 September 2016. Should the consolidation be approved and implemented, shareholders who have not already surrendered their share

certificates will be required to do so under cover of the attached form of surrender, which should be retained for that purpose as no further form of surrender will be circulated to shareholders. Additional copies may be requested from the transfer secretaries, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg.

In the case of certificated shareholders whose registered addresses in the company's register in South Africa are outside the Common Monetary Area, or where the relevant certificates are restrictively endorsed in terms of the South African Exchange Control Regulations, the following will apply:

- Non-residents who are emigrants from the Common Monetary Area

  The replacement share certificate reflecting the consolidation will be restrictively endorsed in terms of the South African Exchange Control Regulations and will be sent to the shareholders' authorised dealer in foreign exchange in South Africa controlling their blocked assets.

- All other non-residents

  The replacement share certificate reflecting the consolidation will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations.

15.2 **Procedure to be followed by dematerialised shareholders for the consolidation**

Dematerialised shareholders must not do anything as their accounts at their CSDP or broker will automatically be updated.

## PART IV: FINANCIAL INFORMATION

### 16. *PRO FORMA* FINANCIAL INFORMATION

16.1 The *pro forma* statement of financial position and statement of comprehensive income of enX, after the Eqstra transaction and specific issue are set out in **Annexure 1** of this circular.

16.2 The *pro forma* statement of financial position and statement of comprehensive income of enX, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the board of enX.

16.3 The independent reporting accountants' limited assurance report on the *pro forma* statement of financial position and statement of comprehensive income of enX is set out in **Annexure 2** of this circular.

### 17. FORECAST FINANCIAL INFORMATION

17.1 enX's forecasts, which are set out in **Annexure 3** of this circular ("**enX forecasts**"), have been prepared for the years ending 31 August 2017 and 31 August 2018 (collectively the "**forecast periods**"). The enX forecasts have been prepared on the assumption that the effective date of the Eqstra transaction will be 1 December 2016, and on the basis that enX forecasts include forecast results for the duration of the forecast periods.

17.2 The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors. The forecasts have been included in the circular at the discretion of the directors for the sake of good corporate governance, to provide existing and prospective shareholders the directors view of the earnings prospects of the combined businesses, given the transformative nature of the transaction.

17.3 The enX forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors of enX. The assumptions on which the forecasts have been prepared may or may not prove to be correct. The actual results may vary from the anticipated results and such variations may be material.

17.4 The enX forecasts must be read in conjunction with the independent reporting accountants' limited assurance report thereon as contained in **Annexure 4** of this circular.

### 18. HISTORICAL FINANCIAL INFORMATION

18.1 The audited historic consolidated financial statements in respect of IE and FML divisions for the year ended 30 June 2015 and the reviewed historic financial statements of IE and FML divisions for the years ended 30 June 2014 and 30 June 2013 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the company's website at the following link: www.enxgroup.co.za.

18.2 The reviewed consolidated financial statements in respect of the IE and FML divisions for the six months ended 31 December 2015 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the company's website at the following link: www.enxgroup.co.za.

18.3 The independent reporting accountant's limited assurance reports, in respect of the historical aggregated financial information of the IE and FML divisions, are set out in **Annexure 5** and **Annexure 6.**

18.4 The audited historic consolidated financial statements of Eqstra for the years ended 30 June 2015, 30 June 2014 and 30 June 2013 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the company's website at the following link: www.enxgroup.co.za. Shareholders are also referred to the segmental information included in the audited historic consolidated financial statements of Eqstra for the years ended 30 June 2015, 30 June 2014 and 30 June 2013.

18.5 The unaudited interim results of Eqstra for the six months ended 31 December 2015 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the company's website at the following link: www.enxgroup.co.za.

### 19. SHARE PRICE HISTORY

The share price history of enX's shares is set out in **Annexure 7**.

## PART V: GENERAL

### 20. GENERAL MEETING

A general meeting of enX shareholders will be held at 10:00 on Thursday, 22 September 2016 at the offices of the company for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out in the notice of general meeting. A notice convening such general meeting is attached hereto and forms part of this circular.

### 21. OPINION AND RECOMMENDATION OF THE enX BOARD

21.1 The enX board, after evaluating the rationale for and the terms and conditions of the Eqstra transaction, is of the opinion that the transaction is beneficial to enX shareholders and recommends that enX shareholders vote in favour of the resolutions necessary to implement each of the Eqstra transaction, the consolidation, the authorised share increase and the specific issue.

21.2 The directors who hold enX shares intend voting their shares in favour of all resolutions proposed at the general meeting.

### 22. THE enX FORFEITABLE SHARE PLAN

Subject to the requisite approval of enX shareholders, the company will adopt a forfeitable share plan, details of which are set out in **Annexure 11** of the circular, as an incentive to directors, senior executives, management and other employees to promote the continued growth of the enX group by giving employees an opportunity to acquire shares in the company. An ordinary resolution adopting the enX Forfeitable Share Plan is included in the notice of general meeting.

### 23. SHARES IN ISSUE

enX's authorised and issued shares as at the last practical date and after the consolidation, the authorised share increase, the implementation of the Eqstra transaction and the placement is set out below.

23.1 As at the last practical date

| | **R'000** |
|---|---|
| *Authorised* | |
| 1 000 000 000 ordinary shares of no par value each | – |
| *Issued* | |
| 600 184 057 ordinary shares of no par value each | – |
| Stated capital | 635 611 |
| **Total issued** | **635 611** |

No shares are held in treasury

23.2 After the consolidation

| | **R'000** |
|---|---|
| *Authorised* | |
| 90 909 090 ordinary shares of no par value each | – |
| *Issued* | |
| 54 562 187 ordinary shares of no par value each | – |
| Stated capital | 635 611 |
| **Total issued** | **635 611** |

Pursuant to the consolidation no shares will be held in treasury

23.3 After the authorised share increase

| | |
|---|---|
| *Authorised* | |
| 1 000 000 000 ordinary shares of no par value each | – |
| *Issued* | |
| 54 562 187 ordinary shares of no par value each | – |
| Stated capital | 635 611 |
| **Total issued** | **635 611** |

Pursuant to the authorised share increase no shares will be held in treasury

23.4 After the placement

| | **R'000** |
|---|---|
| *Authorised* | |
| 1 000 000 000 ordinary shares of no par value each | – |
| *Issued* | |
| 125 990 759 ordinary shares of no par value each* | – |
| Stated capital | 2 129 011 |
| **Total issued** | **2 129 011** |

** Assuming 71 428 572 enX shares are issued pursuant to the specific issue*

Pursuant to placement, no shares will be held in treasury

23.5 After the allotment and issue of the enX consideration shares

| | **R'000** |
|---|---|
| *Authorised* | |
| 1 000 000 000 ordinary shares of no par value each | – |
| *Issued* | |
| 178 706 149 ordinary shares of no par value each | – |
| Stated capital | 3 236 034 |
| **Total issued** | **3 236 034** |

Pursuant to the allotment and issue of the enX consideration shares, the company will hold a certain number of treasury shares which can only be determined once the Eqstra transaction is implemented and the enX consideration shares have been unbundled to Eqstra shareholders. These treasury shares will be acquired by enX when it acquires Eqstra NewCo by virtue of the fact that Eqstra Corporation currently holds Eqstra shares in treasury. Pursuant to the unbundling by Eqstra of the enX consideration shares, Eqstra Corporation (an indirect subsidiary of enX at the time of such unbundling) may receive enX shares which will accordingly be held in treasury.

## 24. MAJOR AND CONTROLLING SHAREHOLDERS

24.1 Set out below are the names of shareholders (other than directors) that are directly or indirectly, beneficially interested in 5% or more of the issued shares of enX shares as at the last practical date.

| | Beneficial | | | |
|---|---|---|---|---|
| **Name of shareholder** | **Directly** | **Indirectly** | **Total** | **% of shares in issue** |
| Samvenice Trading 1 Proprietary Limited | 140 637 983 | – | 140 637 983 | 23.4% |
| Wild Rose Capital Proprietary Limited | 127 039 201 | – | 127 039 201 | 21.2% |
| Peregrine Equities Proprietary Limited | 79 435 979 | – | 79 435 979 | 13.2% |
| Auto Workers Provident Fund | 47 000 000 | – | 47 000 000 | 7.8% |
| David Brouze | 36 089 945 | – | 36 089 945 | 6.0% |
| **Total** | **430 203 108** | **–** | **430 203 108** | **71.6%** |

24.2 Set out below are the names of shareholders (other than directors) that will be directly or indirectly, beneficially interested in 5% or more of the issued shares of enX after the consolidation, the implementation of the Eqstra transaction, the unbundling of the the enX consideration shares to Eqstra shareholders and the placement.

| | Beneficial | | | |
|---|---|---|---|---|
| **Name of shareholder** | **Directly** | **Indirectly** | **Total** | **% of shares in issue** |
| Classic International | 23 809 524 | – | 23 809 524 | 13.2% |
| Samvenice Trading 1 Proprietary Limited* | 21 154 012 | – | 21 154 012 | 11.7% |
| Wild Rose Capital Proprietary Limited* | 19 108 556 | – | 19 108 556 | 10.6% |
| Peregrine Equities Proprietary Limited* | 11 948 335 | – | 11 948 335 | 6.6% |
| Protea Asset Management, Conduit Capital and Midbrook Lane | 10 664 323 | – | 10 664 323 | 5.9% |
| **Total** | **86 684 750** | **–** | **86 684 750** | **48.0%** |

** Assuming enX shareholders take up all the placement shares on a pro rata basis and no placement shares are issued to the co-underwriters in terms of their underwriting commitment. It is not known to what extent shareholders intend participating in the placement.*

24.3 As at the last practical date enX did not have a controlling shareholder. Assuming implementation of the Eqstra transaction and the placement, it is anticipated that enX will not have a controlling shareholder.

## 25. DIRECTORS

### 25.1 Directors and management

25.1.1 Pursuant to the implementation of the Eqstra transaction, Jannie Serfontein will be appointed as chief executive officer. Louis Von Zeuner and Steve Booysen will be appointed to the enX board of directors. Paul Mansour will be appointed as deputy executive chairman of enX. New director appointments are subject to shareholder approval as set out in the notice of general meeting.

25.1.2 Details of the directors and management of enX after the implementation of the Eqstra transaction are set out in paragraph 3 of the revised listing particulars.

### 25.2 Directors' emoluments

The emoluments of the directors of enX are set out in **Annexure 3** of the revised listing particulars.

25.3 **Directors' interests in enX shares**

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

| Director | Direct holding | Indirect holding | Total shares held | % of issued shares |
|---|---|---|---|---|
| Paul Mansour | 3 179 038 | 6 351 955^ | 9 530 993 | 1.6% |
| Jarrod Friedman§ | – | 8 577 284^ | 8 577 284 | 1.4% |
| Steven Joffe | – | 44 463 686* | 44 463 686 | 7.4% |
| Paul O'Flaherty | – | 35 159 496$ | 35 159 496 | 5.9% |
| Paul Baloyi | – | 63 287 092# | 63 287 092 | 10.5% |
| **Total** | **3 179 038** | **157 839 513** | **161 018 551** | **26.8%** |

§ *Resigned as a director with effect from 15 April 2016.*

^ *Held indirectly by virtue of a 5% shareholding in Wild Rose Capital.*

* *Held indirectly by virtue of a 35% shareholding in Wild Rose Capital.*

$ *Held indirectly by virtue of a 25% shareholding in CapLeverage.*

# *Held indirectly by virtue of a 45% shareholding in CapLeverage.*

25.3.2 There have been no dealings in enX shares by the directors between 31 August 2015 and the last practical date, save for:

25.3.2.1 the issuance of 140 637 983 enX shares to Samvenice on 8 September 2015, as detailed in paragraph 25.4.1 below;

25.3.2.2 the issuance of 3 179 038 enX shares to Paul Mansour on 8 April 2016, as detailed in paragraph 25.4.7 below;

25.3.2.3 the issuance of 2 225 328 enX shares to JSF Family Trust (of which Jarrod Friedman is a trustee and beneficiary) on 8 April 2016, as detailed in paragraph 25.4.7 below; and

25.3.2.4 the acquisition by Wild Rose Capital of 4 137 831 enX shares on 25 April 2016 at R1.43 per enX share for an aggregate purchase consideration of R5 917 098.33.

These shares are included in the numbers reflected above.

25.4 **Directors' interests in transactions**

25.4.1 As detailed in the circular issued to enX shareholders on 15 June 2015, Samvenice subscribed for 140 637 983 enX shares for an aggregate subscription amount of R213 769 734 (representing 25.01% of the issued shares of enX on 15 June 2015) pursuant to a specific authority to issue shares for cash (the "**CapLeverage transaction**"). Samvenice is a wholly owned subsidiary of CapLeverage. Each of Paul Baloyi and Paul O'Flaherty have the following beneficial interest, and a personal financial interest, in the CapLeverage transaction:

| Director | % of issued shares of CapLeverage |
|---|---|
| Paul Baloyi | 45% |
| Paul O'Flaherty* | 25% |
| **Total** | **70%** |

* Held indirectly through O'Flaherty Projects Proprietary Limited

25.4.2 In order to finance the subscription price payable in respect of the CapLeverage transaction, Samvenice secured funding from the IDC. The CapLeverage shareholders have guaranteed all amounts owing by Samvenice to the IDC with their aggregate liability limited to R20 million. In turn, enX has indemnified the shareholders of CapLeverage against any claim against them which may arise from an act or omission of enX, the conduct of its business, its financial performance or impact of its share price, limited to only such portion of the claims made by the IDC which exceeds R5 million, thus limiting enX's potential liability to R15 million (the "**enX indemnity**"). Paul Baloyi and Paul O'Flaherty have a personal financial interest in the enX indemnity, in that the enX indemnity constitutes the provision of financial assistance to them, as contemplated in sections 44 and 45 of the Companies Act.

25.4.3 The directors of enX, including any director who resigned during the last 18 months, hold the interests set out in the table below in Wild Rose Capital. Wild Rose Capital had an effective interest of 24.95% of the issued shares 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 shares (%) |
|---|---|---|---|
| Jarrod Friedman | – | 6 | 5% |
| Paul Mansour | 6 | – | 5% |
| Steven Joffe | – | 42 | 35% |
| **Total** | **6** | **48** | **45%** |

25.4.4 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 North Proprietary Limited ("**30 – 38 Jacoba**") (of which the David Brouze Trust is the sole shareholder), enX has leased the premises situated 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 rental of R1 175 085 per month as at the date of this circular.

25.4.5 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), which lease was assigned by enX to Austro Proprietary Limited ("**Austro**") on 2 November 2015, Austro has leased the premises situated 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 rental of R357 544 per month as at the date of this circular.

25.4.6 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 was appointed, for an indefinite period, as strategic advisor to enX and provided enX with the following advisory services:

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

25.4.6.2 the identification and introduction of potential acquisition opportunities;

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

25.4.6.4 the assessment of capital investment decisions and acquisitions;

25.4.6.5 the introduction to potential business partners and other stakeholders;

25.4.6.6 general input in respect of management;

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

25.4.6.8 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, the agreement with O'Flaherty Projects has been terminated and replaced by an advisory agreement with CapLeverage. The agreement commenced on 1 January 2016 and as of the date of this circular is paid a monthly fee of R17 500. Similar services to the abovementioned paragraphs 25.4.6.1 to 25.4.6.8 are provided in accordance with the agreement as well as assistance with the raising of capital and the facilitation of access to public sector and government networks 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 and shall continue in force for an initial period of 12 months, whereafter the agreement will terminate automatically unless renewed by written agreement 30 days prior to the end of the initial 12 month term.

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

Paul O'Flaherty and Paul Baloyi, also a non-executive director of enX, are also directors and shareholders of CapLeverage.

25.4.7 As detailed in the circular issued to enX shareholders dated 15 February 2016, Paul Mansour, the JSF Trust (of which Jarrod Friedman is a trustee and beneficiary) and Christian Neuberger subscribed for (and were allotted and issued) 3 719 038, 2 225 328 and 2 225 328 enX shares respectively for an aggregate subscription price of R17 472 000, pursuant to a specific authority to issue shares for cash.

25.4.8 A loan has been provided by David Brouze for the funding of the WAI acquisition. The loan is for an amount of R35 million for 12 months with interest payable monthly in arrears. The outstanding balance attracts interest at the prime overdraft rate plus two percent compounded monthly. At the date of this circular, R35 million is still outstanding and a facility fee of R350 000 has been paid. The loan is convertible at the 30 day VWAP at or at any time prior to the loan being repayable at the option of David Brouze.

David Brouze is a shareholder (not a director) having a beneficial interest of 5% or more of the issued shares of enX as at the last practical date.

25.4.9 Jarrod Friedman, the previous Financial Director of enX, who resigned as Financial Director on 15 April 2016, was involved in the following transactions during the current and preceding financial years:

25.4.9.1 Jarrod is a shareholder in Wild Rose Capital by virtue of a 5% shareholding;

25.4.9.2 on 8 April 2016, The JSF Family Trust, of which Jarrod Friedman is a beneficiary and trustee, subscribed for 2 225 328 ordinary shares of enX at a price of R2.29 per share;

25.4.9.3 on 25 April 2016 Wild Rose Capital acquired 4 137 931 enX shares held by the Horatio Share Trust at R1.43 per share, pursuant to a put option agreement that was entered into between Wild Rose Capital and the Horatio Share Trust.

25.4.10 A management agreement was entered between enX and Wild Rose Management (formerly JFN Management Proprietary Limited) on or about 18 April 2013, in terms of which Wild Rose Management, commencing on 15 April 2013 (the "**commencement date**") provided services to enX as were necessary or requisite to discharge enX's executive functions, and undertook 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 R215 544 (exclusive of VAT) to provide strategic and business support services to the enX group and to supplement the internal executive capacity of enX. The management agreement terminated with effect from 14 May 2016.

Save as set out in paragraph 13 and this paragraph 25.4, 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 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. enX has not acquired any property during the current or preceding financial year nor does it intend to use the proceeds of the specific issue and placement to acquire any property.

Save as set out in paragraph 13 and this paragraph 25.4, 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 owed to enX.

## 26. MATERIAL BORROWINGS

26.1 Details of material loans made to the enlarged enX group, pursuant to the implementation of the Eqstra transaction are set out in **Annexure 7** of the revised listing particulars.

26.2 None of the material borrowings listed in **Annexure 7** of the revised listing particulars have any redemption or conversion rights attached to them, except for the following:

26.2.1 a R35 million loan from David Brouze is convertible at the 30 day VWAP at or at any time prior to the loan being repayable at the option of David Brouze; and

26.2.2 a R9 million loan from African Investment Holdings (one of the WAI vendors), convertible at a rate of R2.10 (prior to the share consolidation), six months after the WAI acquisition is completed at the option of African Investment Holdings.

26.3 The enlarged enX group has no loan capital outstanding.

26.4 Other than the inter-company loans as set out in **Annexure 2** of the revised listing particulars, the enlarged enX group has not entered into any other material inter-company or other transactions.

26.5 As at the last practical date, the enlarged enX group has not undertaken any off-balance sheet financing.

26.6 As at the last practical date enX did not have any material loans receivable.

## 27. MATERIAL CONTRACTS

Save for the Eqstra transaction agreements, which are detailed in **Annexure 8** of this circular, material contracts which have been entered into in writing by the enlarged enX group, being restrictive funding arrangements, a contract entered into otherwise than in the ordinary course of the business carried on, within the two years prior to the date of this circular; or entered into at any time and containing an obligation or settlement that is material to the enlarged enX group, are set out in paragraph 14 of the revised listing particulars and **Annexure 9** of the revised listing particulars.

## 28. MATERIAL CHANGES

28.1 Save for the enX Power cluster, which is experiencing challenging trading conditions brought about by the cessation of load shedding at the August 2015, there have been no material changes in the financial or trading position of the enX group since the publication of enX's interim results for the six months ended 29 February 2016 to the date of this circular.

28.2 Save as set out in the Eqstra circular or as announced on SENS by Eqstra prior to the last practical date, there have been no material changes in the financial or trading position of the Eqstra group since Eqstra published its results for the year ended 30 June 2015 to the date of this circular.

28.3 Save for the Centlube and WAI acquisitions, as detailed in **Annexure 9** of the revised listing particulars, there has been no change in the business or trading objects of enX during the past five years.

28.4 Save for the acquisition of plant and equipment pursuant to the Centlube acquisition, there has been no major change on the nature of property, plant and equipment and in the policy regarding the use thereof.

28.5 Save for the Centlube and WAI acquisitions, as detailed in **Annexure 9** of the revised listing particulars, there has been no material change in the nature of business of enX.

28.6 There has been no material fact or circumstance that has occurred between 31 August 2015, being the latest financial year end of enX and the date of this circular, other than as disclosed in this circular and the revised listing particulars.

## 29. ADEQUACY OF CAPITAL

The directors have considered the effects of the Eqstra transaction and the placement and are of the opinion that the working capital available to the enlarged enX group is sufficient for the group's present requirements, that is, for at least the next 12 months from the date of issue of this circular.

## 30. LITIGATION STATEMENT

The board of directors of enX are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past (being the previous 12 months) a material effect on the enlarged enX group's financial position.

## 31. CONSENTS

31.1 Each of the corporate advisor and bookrunner, sponsor, independent reporting accountants, transfer secretaries, legal advisor and company secretary 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.

31.2 The independent reporting accountants have consented to the inclusion of their reports in the form and context in which they appear in this circular, which consents have not been withdrawn prior to the publication of this circular.

## 32. CONFLICTS OF INTEREST

Java Capital is acting in the capacities of corporate advisor, bookrunner and sponsor in respect of the Eqstra transaction and placement. Java Capital has confirmed their view that this does not affect their independence. However, as required in terms of the JSE Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Java Capital acting in these roles, Java Capital has appropriate checks and balances in place to manage any potential or perceived conflicts of interests, including procedures to assess the independence of Java Capital in respect of a transaction (and, should it be determined that Java Capital is not independent, the appointment of an independent transaction sponsor) and the division of responsibility between directors of Java Capital involved in fulfilling the various functions undertaken by Java Capital in respect of a transaction.

## 33. PRELIMINARY EXPENSES AND ISSUE EXPENSES

The expenses (excluding VAT) relating to the Eqstra transaction and placement which have been incurred or that are expected to be incurred are presented in the table below.

| Expense | Recipient | Amount (R) |
|---|---|---|
| Corporate advisor and sponsor fees | Java Capital | 2 500 000 |
| Estimated capital raising fees* | Java Capital | 1 500 000 |
| Corporate finance fees^ | Wild Rose Management | 4 500 000 |
| Independent reporting accountants' fees | Deloitte | 1 100 000 |
| Valuation fees | PwC | 300 000 |
| Legal fees | ENS | 8 000 000 |
| Underwriting fees | Co-underwriters | 52 500 000 |
| Documentation inspection fees: category 1 | JSE | 48 000 |
| Documentation inspection fees: revised listing particulars | JSE | 38 000 |
| Documentation inspection fees: specific issue of shares for cash | JSE | 21 000 |
| Documentation inspection fees: consolidation | JSE | 3 500 |
| Documentation inspection fees: MOI amend - consolidation | JSE | 1 500 |
| Documentation inspection fees: MOI amend – Authorised share increase | JSE | 1 500 |
| Documentation inspection fees: Authorised share increase | JSE | 2 100 |
| JSE listing fees | JSE | 391 833 |
| Printing, publication and distribution costs | Ince | 150 000 |
| Transfer secretary | Computershare | 10 000 |
| Settlement fees | Strate | 10 000 |
| Other costs | | 300 000 |
| Contingency costs | | 122 567 |
| **Total** | | 71 500 000 |

* *Assuming R1.5 billion is raised pursuant to the placement and specific issue (excluding capital raised from the co-underwriters) at a placement price of R21.00.*

^ *Paul Mansaur and Steven Joffe are directors and shareholders of Wild Rose Management. The fee proposed is for corporate finance advisory services provided to enX in respect of the Eqstra transaction. An independent committee of the board has reviewed the fee and considers it due and fair consideration in return for the services provided.*

## 34. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of enX, collectively and individually accept full responsibility for the accuracy of the information given in relation to enX, certify that to the best of their knowledge and belief there are no facts in relation to enX the omission of which would make any statement false or misleading, certify that they have made all reasonable enquiries to ascertain such facts; and certify that this circular contains all information in relation to enX required by law and the Listings Requirements.

## 35. DOCUMENTS AND CONSENTS TO BE AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at any time during normal business hours on business days from the date of issue of this circular to the date of the general meeting at the registered office of enX:

35.1 the MOI of enX and its major subsidiaries;

35.2 the Eqstra main agreement;

35.3 the other Eqstra transaction agreements;

35.4 the underwriting agreement;

35.5 the irrevocable undertakings;

35.6 a signed copy of this category 1 circular and revised listing particulars;

35.7 the independent reporting accountants' reports, copies of which is set out in **Annexure 2**, **Annexure 4**, **Annexure 5** and **Annexure 6**;

35.8 the independent reporting accountants' review opinion in respect of the management accounts of the WAI Group for the six months ended 31 December 2015;

35.9 the material contracts referred to in paragraph 27;

35.10 the enX Forfeitable Share Plan;

35.11 the letters of consent referred to in paragraph 31;

35.12 the service contracts of the directors of enX;

35.13 the audited consolidated financial statements of the IE and FML divisions for the year ended 30 June 2015;

35.14 the reviewed consolidated financial statements of the IE and FML divisions for the years ended 30 June 2014 and 30 June 2013;

35.15 the reviewed interim consolidated results of the IE and FML divisions for the six months ended 31 December 2015;

35.16 the audited consolidated financial statements of Eqstra for the years ended 30 June 2015, 30 June 2014 and 30 June 2013 and the unaudited interim results of Eqstra for the six months ended 31 December 2015;

35.17 the corporate governance statement of enX;

35.18 the unaudited interim consolidated results of enX for the six months ended 29 February 2016;

35.19 the audited consolidated financial statements of enX for the years ended 31 August 2015, 31 August 2014 and 31 August 2013.

## 36. DOCUMENTS INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the company's website at www.enxgroup.co.za and is available for inspection at the company's registered office in accordance with the provision of paragraph 35 above.

36.1 the audited consolidated financial statements of the IE and FML divisions for the year ended 30 June 2015;

36.2 the reviewed consolidated financial statements of the IE and FML divisions for the years ended 30 June 2014 and 30 June 2013;

36.3 the reviewed interim consolidated results of the IE and FML divisions for the six months ended 31 December 2015;

36.4 the audited consolidated financial statements of Eqstra for the years ended 30 June 2015, 30 June 2014 and 30 June 2013; and

36.5 the unaudited interim results of Eqstra for the six months ended 31 December 2015.

**For and on behalf of enX Group Limited**

This circular was signed in Johannesburg on behalf of all the directors in terms of a written resolution signed by each of the directors on or about 15 August 2016.

**Signed on behalf of the board**

**Paul Mansour**
24 August 2016

## *PRO FORMA* FINANCIAL INFORMATION

The *pro forma* financial information (the "**financial effects**") of the transaction on enX's net asset value per share, net tangible asset value per share, earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share for the six months ended 29 February 2016 are set out below. The financial effects are the responsibility of the directors of enX and have been prepared for illustrative purposes only to provide enX's shareholders with information on how the transaction may have impacted on the historical financial results of enX for the six months ended 29 February 2016. Due to their nature, the financial effects may not give a fair reflection of enX's financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

The financial effects are presented in accordance with the JSE Listings Requirements, the Guide on *Pro forma* Financial Information issued by The South African Institute of Chartered Accountants and the measurement and recognition requirements of IFRS.

The financial effects have been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of enX's accounting policies as at 31 August 2015.

The tables below reflect the financial effects of the transaction on an enX shareholder.

## Statement of financial position

| Rm's | Note | enX last published results [1] | Post balance sheet events | enX after post balance sheet events [2] | enX share consolidation | Before Eqstra transaction [3] | Eqstra transaction IE/FML Acquisition [4.2] | IE/FML Purchase price allocation [4.5] | Capital raise [4.4] | CMRP recapitalisation [4.3] | After Eqstra Transaction [4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | | |
| ***Non-current assets*** | | 319 | 159 | 478 | – | 478 | 7 190 | 170 | – | 1 401 | 9 239 |
| Property, plant and equipment | | 119 | 6 | 125 | – | 125 | 284 | – | – | – | 409 |
| Goodwill and intangibles | 4.6 | 186 | 150 | 336 | – | 336 | 188 | 163 | – | – | 687 |
| Leased assets | | – | – | – | – | – | 5 881 | – | – | – | 5 881 |
| Finance lease receivables | | – | – | – | – | – | 3 | – | – | – | 3 |
| Deferred taxation | | 14 | 3 | 17 | – | 17 | 42 | – | – | – | 59 |
| Investment in associates | | – | – | – | – | – | 114 | – | – | – | 114 |
| Other financial assets | | – | – | – | – | – | 678 | 7 | – | 1 401 | 2 086 |
| ***Current assets*** | | 657 | 357 | 1 014 | – | 1 014 | 2 216 | – | 1 434 | (1 401) | 3 263 |
| Inventories | | 351 | 193 | 544 | – | 544 | 960 | – | – | – | 1 504 |
| Trade and other receivables | | 243 | 203 | 446 | – | 446 | 839 | – | – | – | 1 285 |
| Taxation receivable | | – | – | – | – | – | 17 | – | – | – | 17 |
| Other current assets | | – | – | – | – | – | 67 | – | – | – | 67 |
| Assets held for sale | | – | – | – | – | – | 33 | – | – | – | 33 |
| Bank and cash | | 63 | (39) | 24 | – | 24 | 300 | – | 1 434 | (1 401) | 357 |
| **Total assets** | | 976 | 516 | 1 492 | – | 1 492 | 9 406 | 170 | 1 434 | – | 12 502 |

## Statement of financial position (continued)

| Rm's | Note | enX last published results [1] | Post balance sheet events | enX after post balance sheet events [2] | enX share consolidation | Before Eqstra transaction [3] | Eqstra transaction IE/FML Acquisition [4.2] | IE/FML Purchase price allocation [4.5] | Capital raise [4.4] | CMRP recapitalisation [4.3] | After Eqstra Transaction [4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equity and liabilities** | | | | | | | | | | | |
| ***Capital and reserves*** | | 692 | 74 | 766 | – | 766 | 2 086 | 89 | 1 434 | – | 4 375 |
| Stated capital | | 559 | 76 | 635 | – | 635 | 1 107 | – | 1 434 | – | 3 176 |
| Accumulated profits | | 133 | – | 133 | – | 133 | 953 | 89 | – | – | 1 175 |
| Non-controlling interests | | – | (2) | (2) | – | (2) | 26 | – | – | – | 24 |
| ***Non-current liabilities*** | | 43 | 140 | 183 | – | 183 | 3 815 | 81 | – | – | 4 079 |
| Interest-bearing liabilities | | 27 | 59 | 86 | – | 86 | 3 218 | – | – | – | 3 304 |
| Vendor loans payable | | 8 | 49 | 57 | – | 57 | – | – | – | – | 57 |
| Other financial liabilities | | – | 19 | 19 | – | 19 | – | – | – | – | 19 |
| Deferred taxation | | 8 | 13 | 21 | – | 21 | 597 | 81 | – | – | 699 |
| ***Current liabilities*** | | 241 | 302 | 543 | – | 543 | 3 505 | – | – | – | 4 048 |
| Trade and other payables | | 225 | 167 | 392 | – | 392 | 1 266 | – | – | – | 1 658 |
| Interest-bearing liabilities | | 11 | 45 | 56 | – | 56 | 2 185 | – | – | – | 2 241 |
| Vendor loans payable | | 5 | 20 | 25 | – | 25 | – | – | – | – | 25 |
| Bank overdraft | | – | 69 | 69 | – | 69 | – | – | – | – | 69 |
| Taxation payable | | – | 1 | 1 | – | 1 | 31 | – | – | – | 32 |
| Liabilities associated with assets held for sale | | – | – | – | – | – | 19 | – | – | – | 19 |
| Other current liabilities | | – | – | – | – | – | 4 | – | – | – | 4 |
| **Total equity and liabilities** | | 976 | 516 | 1 492 | – | 1 492 | 9 406 | 170 | 1 434 | – | 12 502 |
| Number of shares in issue | | 562 327 001 | 37 688 652 | 600 015 653 | (545 468 775) | 54 546 878 | 52 715 390 | – | 71 428 571 | – | 178 690 839 |
| Net asset value per share (cents) | | 123.1 | | 127.7 | | 1 404.3 | | | | | 2 448.4 |
| Net tangible asset value per share (cents) | | 91.1 | | 72.7 | | 799.8 | | | | | 2 113.0 |

## Notes and assumptions:

1. The figures set out in the "enX last published results" column above have been extracted from the unaudited interim results of enX as at 29 February 2016.
2. The figures set out in the "enX after post balance sheet events" column above reflect the pro forma effects on the last enX published results after taking into account the following transactions and assumptions:
   - 2.1. The 'Shares issued for cash' totalling 7,6 million shares for an aggregate subscription amount of R17,5 million, as noted in the SENS announcement dated 8 April 2016, have been issued on 29 February 2016 for net asset value per share and tangible net asset value per share purposes.
   - 2.2. The acquisition of all the issued shares and shareholders claims in West African International Proprietary Limited and its subsidiaries ("**WAI Group**") for a preliminary purchase consideration of R250 million as noted in the SENS announcement dated 19 February 2016. The WAI acquisition is classified as a category 2 transaction in terms of the JSE Listings Requirements. Given the significance of the WAI acquisition, enX believes it is appropriate to include this transaction to better reflect the financial position of the Company.
     - 2.2.1. The WAI Group acquisition is assumed to have been implemented on 29 February 2016 for net asset value per share and tangible net asset value per share purposes.
     - 2.2.2. The WAI Group figures have been extracted from the reviewed management accounts of the WAI Group for the six months ended 31 December 2015. These management accounts have been reviewed by the independent reporting accountants and enX management is satisfied with the quality of these management accounts.
     - 2.2.3. All the shares to be issued and the funding required for the transaction have been raised.
     - 2.2.4. The present values of all vendor loans have been raised.
     - 2.2.5. The excess of R117.6 million of the purchase consideration over WAI Group tangible net asset value has been allocated to goodwill (R83.8 million) and intangible assets (R47.0 million), based on a preliminary purchase price assessment. A deferred tax liability is recognised to take into account the difference in tax base arising as a result of the intangible assets recognised on acquisition.
3. The figures set out in the "Before Eqstra transaction" column above reflect the *pro forma* effects on the 'enX Post Balance sheet events' resulting from the enX share consolidation on an 11 to 1 basis, which will take place prior to the Eqstra transaction. The effect of this will be that the approximate 600 million shares in issue, after the post balance sheet events, will be consolidated to 54.5 million shares.
4. The figures set out in the "After Eqstra transaction" column above reflect the *pro forma* effects on the 'Before Eqstra transaction' resulting from the Eqstra transaction and the specific issue after taking into account the following transactions and assumptions.
   - 4.1. The Eqstra transaction is assumed to have been implemented on 29 February 2016 for net asset value per share and tangible net asset value per share purposes.
   - 4.2. The Eqstra IE and FML figures have been extracted from the reviewed interim accounts of the Eqstra IE and FML divisions for the six months ended 31 December 2015. enX management is satisfied with the quality of these interim accounts. The interim accounts have been incorporated into the circular by reference, as detailed in paragraph 36 of the circular.
   - 4.3. enX's funding instruments into Eqstra CMPR division have been fairly valued, using market data at 29 February 2016.
   - 4.4. enX has raised R1.44 billion of cash (net of underwriters' costs) via an issue of 71 428 571 shares, which is used to fund its commitments in terms of the Eqstra transaction. Any excess money raised from the issue of shares, after estimated once off transaction costs of R18 million are deducted, will be used to settle enX's existing debt and will result in an after tax interest saving of 7.6% per annum. This interest saving adjustment will have a continuing impact.
   - 4.5. The excess purchase consideration arising on the Eqstra transaction has been allocated to 'gain on purchase price' (R1.1 billion), intangible assets (R163 million) and MCC preference shares (R7 million) based on a preliminary purchase price assessment. A deferred tax liability (R81 million) is recognised to take into account the difference in tax base arising as a result of the intangible assets recognised on acquisition.
   - 4.6. The 'gain on purchase price' arising on the Eqstra transaction has been accounted for in terms of IFRS 3 (Business combinations).
5. There are no other subsequent events that require adjustments to the *pro forma* financial information.

## Statement of comprehensive income

| Rm's | Note | enX last published results [1] | Post balance sheet events [2.2] | enX after post balance sheet events [2] | enX share consolidation | Before Eqstra transaction [3] | Eqstra transaction IE/FML Acquisition [4.2] | IE/FML Purchase price allocation | Capital raise [4.6] | CMRP recapitalisation [4.4] | After Eqstra transaction [4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | | 518 | 479 | 997 | – | 997 | 2 531 | – | – | – | 3 528 |
| Other operating income | 4.5 | 1 | 9 | 10 | – | 10 | 4 | – | – | 39 | 53 |
| Net operating expenses | | (477) | (463) | (940) | – | (940) | (1 501) | – | – | – | (2 441) |
| Depreciation and amortisation | 4.7 | (8) | (1) | (9) | – | (9) | (690) | (17) | – | – | (716) |
| IFRS2 share appreciation rights charge | | (7) | – | (7) | – | (7) | – | – | – | – | (7) |
| Profit from operations before interest and taxation | | 27 | 24 | 51 | – | 51 | 344 | (17) | – | 39 | 417 |
| Net impairment of assets | | – | – | – | – | – | (30) | – | – | | (30) |
| IFRS3 charges (gain on purchase price/transaction costs) | 4.8 | – | – | – | – | – | – | 1 042 | – | | 1 042 |
| Loss of equity accounted investments | 4.3 | – | – | – | – | – | – | – | – | (232) | (232) |
| Net interest (paid)/received | | (2) | (11) | (13) | – | (13) | (171) | – | 1 | (5) | (188) |
| Interest received | 4.5 | 1 | – | 1 | – | 1 | 119 | – | – | 42 | 162 |
| Interest paid | | (3) | (11) | (14) | – | (14) | (290) | – | 1 | (47) | (350) |
| Losses from discontinued operations | | – | – | – | – | – | (104) | – | – | – | (104) |
| Profit before taxation | | 25 | 13 | 38 | – | 38 | 39 | 1 025 | 1 | (198) | 905 |
| Taxation expense | | (7) | (4) | (11) | – | (11) | (60) | 5 | – | 1 | (65) |
| Total comprehensive income | | 18 | 9 | 27 | – | 27 | (21) | 1 030 | 1 | (197) | 840 |
| Number of shares in issue | | 562 327 001 | 37 688 652 | 600 015 653 | (545 468 775) | 54 546 878 | 52 715 390 | – | 71 428 571 | – | 178 690 839 |
| Weighted average number of share in issue | | 559 252 947 | | 600 015 653 | | 54 546 878 | – | – | – | – | 178 690 839 |
| Diluted number of shares | | 559 252 947 | 40 016 437 | 602 343 438 | (543 140 991) | 56 874 663 | – | – | – | – | 181 018 624 |
| Earnings per share (cents) | | 3.1 | | 4.5 | | 49.5 | | | | | 470.1 |
| – Continued operations | | 3.1 | | 4.5 | | 49.5 | | | | | 528.3 |
| – Discontinued operations | | – | | – | | – | | | | | (58.2) |

## Statement of comprehensive income (continued)

| Rm's | Note | enX last published results [1] | Post balance sheet events [2.2] | enX after post balance sheet events [2] | enX share consolidation | Before Eqstra transaction [3] | Eqstra transaction IE/FML Acquisition [4.2] | IE/FML Purchase price allocation | Capital raise [4.6] | CMRP recapitalisation [4.4] | After Eqstra transaction [4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Headline earnings per share (cents) | | 3.1 | | 4.5 | | 49.5 | | | | | 25.1 |
| – Continued operations | | 3.1 | | 4.5 | | 49.5 | | | | | 76.6 |
| – Discontinued operations | | – | | – | | – | | | | | (51.5) |
| Diluted earnings per share (cents) | | 3.1 | | 4.4 | | 47.5 | | | | | 464.0 |
| – Continued operations | | 3.1 | | 4.4 | | 47.5 | | | | | 521.5 |
| – Discontinued operations | | – | | – | | – | | | | | (57.5) |
| Diluted headline earnings per share (cents) | | 3.1 | | 4.4 | | 47.5 | | | | | 24.8 |
| – Continued operations | | 3.1 | | 4.4 | | 47.5 | | | | | 75.6 |
| – Discontinued operations | | – | | – | | – | | | | | (50.8) |
| *Reconciliation of headline earnings* | | | | | | | | | | | |
| Total comprehensive income | | 18 | 9 | 27 | – | 27 | (21) | 1 030 | 1 | (197) | 840 |
| Continued operations: | | – | – | – | – | – | 223 | (1 030) | – | – | (807) |
| – Gain on purchase price arising on IFRS 3 transaction | | – | – | – | – | – | – | (1 060) | – | – | (1 060) |
| – Net impairments on financial assets | | – | – | – | – | | – | 30 | – | – | 30 |
| – Net impairments on leasing and other assets (within associate) | | – | – | – | – | – | 238 | – | – | – | 238 |
| – Tax effects (within associate) | | – | – | – | – | – | (15) | – | – | – | (15) |
| Discontinued operations: | | – | – | – | – | – | 12 | – | – | – | 12 |
| – Net impairments on leasing assets | | – | – | – | – | – | 9 | – | – | – | 9 |
| – Tax effect | | – | – | – | – | – | 3 | – | – | – | 3 |
| Headline earnings | | 18 | 9 | 27 | – | 27 | 214 | – | 1 | (197) | 45 |

**Notes and assumptions:**

1. The figures set out in the "enX last published results" column above have been extracted from the unaudited interim results of enX as at 29 February 2016.
2. The figures set out in the "enX after post balance sheet events" column above reflect the *pro forma* effects on the last enX published results after taking into account the following transactions and assumptions:
   - 2.1. The 'Shares issued for cash' totalling 7,6 million shares for an aggregate subscription amount of R17,5 million, as noted in the SENS announcement dated 8 April 2016, have been issued on 1 September 2015 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes.
   - 2.2. The acquisition of all the issued shares and shareholders' claims in West African International Proprietary Limited and its subsidiaries ("**WAI Group**") for a preliminary purchase consideration of R250 million as noted in the SENS announcement dated 19 February 2016. The WAI acquisition is classified as a category 2 transaction in terms of the JSE Listings Requirements. Given the significance of the WAI acquisition, enX believes it is appropriate to include this transaction to better reflect the financial position of the company.
     - 2.2.1. The WAI Group acquisition is assumed to have been implemented on 1 September 2015 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes.
     - 2.2.2. The WAI Group figures have been extracted from the reviewed management accounts of the WAI Group for the six months ended 31 December 2015. These management accounts have been reviewed by the independent reporting accountants and enX management is satisfied with the quality of these management accounts.
     - 2.2.3. All the shares to be issued and the funding required for the transaction have been raised. An effective after tax interest rate of 7.8% per annum on the proposed funding raised has been recorded for the six months ended 29 February 2016, which adjustment will have a continuing effect.
     - 2.2.4. The excess of R117.6 million of the purchase consideration over WAI Group tangible net asset value has been allocated to goodwill (R83.8 million) and intangible assets (R47.0 million), based on a preliminary purchase price assessment. A deferred tax liability is recognised to take into account the difference in tax base arising as a result of the intangible assets recognised on acquisition.
     - 2.2.5. Intangible assets arising from the WAI Group acquisition are not amortised as management believe that they have an indefinite useful life.
     - 2.2.6. In terms of the calculation for the number of diluted shares, the 30 day VWAP at 29 February 2016 of R1.92 was used.
3. The figures set out in the "Before Eqstra transaction" column above reflect the *pro forma* effects on the 'enX Post Balance sheet events' resulting from the enX share consolidation on an 11 to 1 basis, which will take place prior to the Eqstra transaction. The effect of this will be that the approximate 600 million shares in issue, after the post balance sheet events, will be consolidated to 54.5 million shares.
4. The figures set out in the "After Eqstra transaction" column above reflect the *pro forma* effects on the 'Before Eqstra transaction' resulting from the Eqstra transaction and specific issue.
   - 4.1. The Eqstra transaction is assumed to have been implemented on 1 September 2015 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes.
   - 4.2. The Eqstra IE and FML figures have been extracted from the reviewed interim accounts of the Eqstra IE and FML divisions for the six months ended 31 December 2015. enX management is satisfied with the quality of these interim accounts. The interim accounts have been incorporated into the circular by reference, as detailed in paragraph 36 of the circular.
   - 4.3. enX's has equity accounted its stake in Eqstra's ordinary shares, using the extracted figures from the interim accounts of Eqstra CMPR division for the six months ended 31 December 2015. enX management is satisfied with the quality of these interim accounts.
   - 4.4. enX's funding instruments into Eqstra CMPR division have been fairly valued, using market data at 29 February 2016.
   - 4.5. Interest income of R42.5 million and preference dividends of R39 million due to enX from the funding instruments into Eqstra CMPR division have been fully accounted for and is of a continuing nature.
   - 4.6. enX has raised R1.44 billion of cash (net of underwriters' costs) via an issue of 71 428 571 shares, which is used to fund its commitments in terms of the Eqstra transaction. Any excess money raised from the issue of shares, after estimated once off transaction costs of R18 million are deducted, will be used to settle enX's existing debt and will result in an after tax interest saving of 7.6% per annum. This interest saving adjustment will have a continuing impact.
   - 4.7. Intangible assets arising from the Eqstra transaction are amortised over an average period of 8.8 years due to the nature of the intangibles.
   - 4.8. The 'gain on purchase price' arising on the Eqstra transaction has been accounted for in terms of IFRS 3 (Business combinations).
5. There are no other subsequent events that require adjustments to the *pro forma* financial information.

## INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR FOR enX GROUP LIMITED

"16 August 2016

**The Directors**
**enX Group Limited**
11 Crescent Drive
Melrose Arch, Johannesburg
2196

Dear Sirs / Madam

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR FOR ENX GROUP LIMITED**

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of enX Group Limited (the Company) by the directors. The *pro forma* financial information, as set out in **Annexure 1** of the circular ("**the circular**"), to be dated on or about 24 August 2016, consists of the statement of comprehensive income and the statement of financial position 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 corporate action or event, described in Paragraph 1 of the circular, on the company's financial position as at 29 February 2016 and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 September 2015, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 29 February 2016, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's unaudited interim financial results for the six months ended 29 February 2016.

*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 1** of the circular.

*Quality control*

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Independence and other ethical requirements*

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

*Reporting Accountant's 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 Prospectus, 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 prospectus 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 at 29 February 2016 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 judgment, having regard to our understanding of the nature of the company, 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 1** of the circular.

**Deloitte & Touche**
Registered Auditors
Per: Sebastian Benedikt Field Carter
Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196
(Private Bag X6 Gallo Manor 2052)"

## CONSOLIDATED FORECAST FINANCIAL INFORMATION OF enX

Set out below is the forecast consolidated statement of profit and loss for enX, after the WAI acquisition, the AGL acquisition, Eqstra transaction and the specific issue, for the years ending 31 August 2017 and 31 August 2018, prepared in terms of section 8.43 of the JSE Limited Listings Requirements.

The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors. The forecasts have been included in the circular at the discretion of the directors for the sake of good corporate governance. The forecast financial information has been reviewed and reported on by the reporting accountants.

The forecasts have been prepared in compliance with IFRS and in accordance with enX's accounting policies.

| | | Year ending 31 August 2017 | Year ending 31 August 2018 |
|---|---|---|---|
| **Revenue** | R'bn | 6,1 | 7,8 |
| Other income | R'bn | – | 0,1 |
| Net operating expenses | R'bn | (4,4) | (5,4) |
| **Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")** | R'bn | **1,7** | **2,5** |
| Depreciation and amortisation | R'bn | (1,0) | (1,4) |
| Gain on purchase price | R'bn | 1,1 | – |
| **Earnings Before Interest and Taxes ("EBIT")** | R'bn | **1,8** | **1,1** |
| Net financing expenses | R'bn | (0,2) | (0,3) |
| **Profit before tax** | R'bn | **1,6** | **0,8** |
| Tax expense | R'bn | (0,1) | (0,2) |
| **Profit after tax** | R'bn | **1,5** | **0,6** |
| **Earnings attributable to shareholders** | R'bn | **1,5** | **0,6** |
| Adjusted for 'gain on purchase price' | R'bn | **(1,1)** | **–** |
| **Headline earnings attributable to shareholders** | R'bn | **0,4** | **0,6** |
| 'Adjusted HEPS' adjusted for: | | | |
| – intangible asset amortisation | R'bn | (0,02) | (0,02) |
| – transaction costs | R'bn | (0,01) | – |
| **Earnings Per Share ("EPS")** | cents | 964 | 349 |
| **Headline Earnings Per Share ("HEPS")** | cents | 249 | 349 |
| **Adjusted HEPS** | cents | 270 | 362 |

**Notes and assumptions**

1. The information used to prepare the profit forecast is based on forecasts to 31 August 2017 and 31 August 2018, for each of the underlying businesses including anticipated cost savings resulting from the combination of two group functions, as prepared by the respective management teams. In the case of IE and FML the forecasts of Revenue, EBITDA and EBIT have been approved by the Eqstra board of directors. Finance charges reflect the anticipated post transaction borrowings of the enX group. The forecast includes earnings from continuing operations and does not take into account any profits or losses from trading or proceeds from the sale of discontinued operations. This assumption is not under the control of the directors.
2. In respect of the forecast period ending 31 August 2017, effective dates of the WAI Group acquisition and Eqstra transaction have been estimated as 1 July 2016 and 1 December 2016 respectively. Their respective earnings from these dates have been consolidated and equity accounted respectively. Certain matters impacting the actual effective dates of these acquisitions are not under the control of the directors.
3. No adjustments have been made in respect of any IFRS 2 (Share based payments) charges, as it is dependent on the future enX share price. The actual enX share price during the forecast period is not under the control of the directors.

4. The profit forecasts have used the following key assumptions:
   4.1. Exchange rates:
      4.1.1. USD:ZAR of 1:15.64;
      4.1.2. EUR:ZAR of 1:15.43
      4.1.3. GBP:ZAR of 1:20.94
      4.1.4. JPY:ZAR of 1:7.54
   4.2. Interest and inflation rates:
      4.2.1. range of interest rates of 8.05% - 10.22%; and
      4.2.2. range of inflation rates of 6.5% - 7.0%;

   The actual exchange, interest and inflations rates during the forecast period are not under the control of the directors.
5. Preliminary purchase price allocations have been performed on the WAI Group acquisition and the Eqstra transaction. The excess purchase consideration has been allocated to intangibles, and intangible asset amortisation has been included in the profit forecast. The amortisation expense, post-tax, in the 2017 and 2018 financial years amounts to R17,9 million and R23,9 million respectively, which has been adjusted for in terms of note 10 below. This assumption is under the control of the directors.
6. No further impairments relating to the continuing operations of CMPR have been included in the profit forecast. Based on this assumption no impairments have been taken on the MCC preference shares and enX loans into MCC. To the extent that there are impairments to the continuing operations of MCC, these would not be reflected in HEPS. Certain factors, such as commodity prices, that may impact the requirement for future impairments are not under the control of the directors.
7. No further fair value adjustments have been taken into account in the forecast periods for the MCC preference share and enX Call Option, post the acquisition. This assumption is not under the control of the directors.
8. An estimated amount of R1.1 billion, which has been based on the pro forma amount at 29 February 2016, in respect of the 'gain on purchase price', has been included for the year ending 31 August 2017. The final amount can only be accurately calculated on the effective date of the transaction. This amount would not be reflected in HEPS. The actual amount determined is under the control of the directors.
9. A portion of the profit forecasts relates to the following:
   9.1. Interest earned on the enX loans to MCC;
   9.2. Dividends earned on the MCC preference shares, taking into account an assessment of recoverability; and
   9.3. Associate earnings from CMPR division. The CMPR division forecasts of EBIT have been approved by the Eqstra board of directors. Finance charges reflect the anticipated post transaction borrowings of MCC; and

   Certain factors such as actual interest rates and commodity prices may impact interest, dividends and associate earnings recognised, which are not under the control of the directors.
10. The adjusted HEPS number removes the impact of the 'gain on purchase price', transaction costs and intangible asset amortisation. This assumption is under the control of the directors.
11. The profit forecasts have been reviewed and reported on by the company's reporting accountants. The unmodified reporting accountant's report on the forecasts is set out in **Annexure 4** and is available for inspection at enX's registered address.

## INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE FORECAST FINANCIAL INFORMATION OF enX

"16 August 2016

**The Directors**
**enX Group Limited**
11 Crescent Drive
Melrose Arch, Johannesburg
2196

Dear Sirs/Madams

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PROFIT FORECAST INFORMATION INCLUDED IN THE CIRCULAR TO ENX SHAREHOLDERS RELATING TO THE PROPOSED ACQUISITION OF EQSTRA HOLDING LIMITED'S FLEET MANAGEMENT AND INDUSTRIAL EQUIPMENT DIVISIONS AND STRATEGIC INVESTMENT IN EQSTRA HOLDINGS LIMITED ("EQSTRA")**

We have performed our limited and reasonable assurance engagements in respect of the directors' assumptions used to prepare and present forecast information pertaining to Revenue, Operating Profit before Financing Costs and Tax, Earnings Per Share, Headline Earnings per Share and Adjusted Headline Earnings per share of enX Group Limited ("**the company**") for the financial years ending 31 August 2017 and 31 August 2018, as set out in the Circular to enX shareholders (collectively referred to as the "**forecast information**").

*Directors' responsibility*

The directors and where appropriate, those charged with governance are responsible for the preparation and presentation of the forecast information and for the reasonableness of the assumptions used to prepare the forecast information as set out in the notes to the forecast information in accordance with paragraphs 8.43 of the JSE Limited Listings Requirements. This responsibility includes ensuring:

- The design, implementation and maintenance of internal control relevant to the preparation and presentation of the forecast information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error;
- The forecast information has been properly compiled on the basis stated in the SENS Announcement; and
- The forecast information is presented on a basis consistent with the accounting policies of the Company.

*Inherent Limitations*

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, readers are cautioned that the forecast information may not be appropriate for purposes other than described in the purpose of the report paragraph below.

*Our independence and Quality Control*

The firm applies International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (the IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

*Reporting accountants' responsibility*

(a) **Limited assurance engagement on the reasonableness of the directors' assumptions:**

Our responsibility is to provide a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information in accordance with the JSE Limited Listings Requirements for forecast information, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform this engagement to obtain limited assurance about whether the directors' assumptions provide a reasonable basis for the preparation and presentation of the forecast information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the directors' assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in light of historical information and an evaluation of whether they are based on plans that are within the entity's capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumptions and agreeing or reconciling with underlying records.

Our procedures included evaluating the directors' best-estimate assumptions on which the forecast information is based for reasonableness.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in this limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement on the reasonableness of the directors' assumptions. Accordingly, we do not express a reasonable assurance opinion on the reasonableness of the directors' assumptions. We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

(b) **Reasonable assurance engagement on the forecast information:**

Our responsibility also extends to expressing an opinion based on the evidence we have obtained about whether the forecast information is properly prepared and presented on the basis of the directors' assumptions and in accordance with the JSE Limited Listings Requirements for forecast information. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such forecast information is properly prepared and presented on the basis of the directors' assumptions and in accordance with the JSE Limited Listings Requirements for forecast information.

A reasonable assurance engagement in accordance with ISAE 3400 involves performing procedures to obtain evidence that the forecast information is properly prepared and presented on the basis of the assumptions and in accordance with the JSE Limited Listings Requirements for forecast information. The nature, timing and extent of procedures selected depend on the reporting accountant's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, of the forecast information. In making those risk assessments, we considered internal control relevant to the company's preparation and presentation of the forecast information.

**Our procedures included:**

- Inspecting whether the forecast information is properly prepared on the basis of the assumptions;
- Inspecting whether the forecast information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions; and
- Inspecting whether the forecast information included in the Circular to enX shareholders is prepared on a consistent basis with the company's accounting policies.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our opinion.
Our assurance engagements do not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly we do not express an audit opinion or review conclusion.

*Conclusion*

**Limited assurance engagement on the reasonableness of the directors' assumptions**

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

i) The assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;

ii) The forecast information has not been properly compiled on the basis stated in the Circular to enX shareholders;

iii) The forecast information has not been properly presented and all material assumptions are not adequately disclosed; and

iv) The forecast information, is not presented on a basis consistent with the accounting policies of the company.

*Opinion*

**Reasonable assurance engagement on the forecast information:**

In our opinion, in all material respects the forecast information for the financial years ending 31 August 2017 and 31 August 2018 is properly prepared and presented on the basis of the assumptions contained in the Circular to enX shareholders and in accordance with the JSE Limited Listings Requirements for forecast information.

*Purpose of report*

This report has been prepared for the purpose of satisfying the requirements of paragraph 8.43 of the JSE Limited Listings Requirements and for no other purpose.

*Consent*

We consent to the reference to this report in the JSE circular dated on or about 24 August 2016.

**Deloitte & Touche**
Registered Auditors
Per: Sebastian Benedikt Field Carter
Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196
(Private Bag X6 Gallo Manor 2052)"

# INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF IE AND FML DIVISIONS FOR THE YEARS ENDED 30 JUNE 2015, 2014 AND 2013

"16 August 2016

**The Directors**
**enX Group Limited**
11 Crescent Drive
Melrose Arch, Johannesburg
2196

Dear Sirs/Madams

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE FLEET MANAGEMENT AND LOGISTICS DIVISION AND THE INDUSTRIAL EQUIPMENT DIVISION FOR THE YEARS ENDED 30 JUNE 2015, 2014 AND 2013**

At your request, and for the purposes of the Circular, we have audited the Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015 incorporated by reference in the Circular ("**2015 Historical Financial Information**"). We have also reviewed the Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division in respect of the years ended 30 June 2014 and 30 June 2013, incorporated by reference in the Circular ("**2014 and 2013 Historical Financial Information**"). These comprise the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement and the notes, comprising a summary of significant accounting policies and others and other explanatory information ("**the Historical Financial Information**").

**Responsibility of the directors**

The directors are responsible for the compilation, contents and preparation of the Circular, including the Historical Financial Information, in accordance with the basis of preparation and the JSE Limited Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement whether due to fraud or error.

**Responsibility of the Independent Reporting Accountant**

Our responsibility is to express an opinion on the 2015 Historical Financial Information based on our audit. We conducted our audit of the 2015 Historical Financial Information in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 2015 Historical Financial Information is free from material misstatement.

Our responsibility is further to express review conclusions on the 2014 and 2013 Historical Financial Information, based on our reviews. We conducted our reviews in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the 2014 and 2013 Historical Financial Information is not prepared, in all material respects, in accordance with the applicable financial reporting framework. This Standard also requires that we comply with ethical requirements.

**Scope of audit**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 2015 Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 2015 Historical Financial Information.

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

**Scope of review**

A review of historical financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion.

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

**Opinion**

In our opinion, the Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015 is prepared, in all material respects, for the purpose of the Circular, in accordance with the basis of preparation paragraph included in the historical financial information and in accordance with the requirements of the JSE Limited Listings Requirements.

**Conclusion**

Based on our reviews of the 2014 and 2013 Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division, nothing has come to our attention that causes us to believe that the 2014 and 2013 Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division is not prepared, in all material respects, in accordance with the basis of preparation in the historical financial information and in accordance with the requirements of the JSE Limited Listings Requirements.

**Basis of accounting**

Without modifying our opinion and conclusion, we draw attention to the Notes to the Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division, which describe the basis of accounting. We also draw attention to the fact that this Historical Financial Information has been prepared specifically to meet the requirements of the JSE Limited Listings Requirements in respect of this Circular to shareholders and may not be suitable for another purpose.

Deloitte & Touche
Registered Auditors
Per M Rayfield
Partner
Deloitte & Touche
Registered Auditors
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)"

# INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE INTERIM HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF IE AND FML DIVISIONS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

"16 August 2016

**The Directors**
**enX Group Limited**
11 Crescent Drive
Melrose Arch, Johannesburg
2196

Dear Sirs/Madams

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE INTERIM HISTORICAL FINANCIAL INFORMATION OF THE FLEET MANAGEMENT AND LOGISTICS DIVISION AND THE INDUSTRIAL EQUIPMENT DIVISION FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

**Introduction**

At your request, and for the purposes of the circular, we have reviewed the interim historical financial information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the six months ended 31 December 2015 which comprises the Summarised Consolidated Statement of Financial Position, Summarised Consolidated Income Statement, Summarised Statement of Changes in Equity, Summarised Statement of Comprehensive Income, Summarised Statement of Cash Flows and related notes ("**the Interim Historical Financial Information**").

**Responsibility of the directors**

The directors are responsible for the compilation, contents and preparation of the Report of Combined Interim Historical Financial Information in accordance with the relevant basis of preparation as disclosed in the "Basis of preparation of historical combined financial information" paragraph to the Circular, prepared with the specific purpose to meet paragraph 8.2 of the JSE Limited Listings Requirements.

**Responsibility of the Independent Reporting Accountants**

Our responsibility is to express a review conclusion on the Interim Historical Financial Information based on our review for the six months ended 31 December 2015, in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity (ISRE 2410)". ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

**Scope of review**

A review of interim financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Interim Historical Financial Information.

**Conclusion on the Interim Historical Financial Information**

Based on our review, nothing has come to our attention that causes us to believe that the Interim Historical Financial Information included in the circular is not prepared, in all material respects, in accordance with the basis of preparation in the historical financial information and in accordance with the requirements of the JSE Limited Listings Requirements.

**Emphasis of Matter – Going concern**

Without qualifying our opinion, we draw attention to Note 34 of the Combined Historical Financial Information which indicates that the Fleet Management and Logistics division and the Industrial Equipment division have incurred a loss of R11 million (June 2015: profit of R237 million) for the period ended 31 December 2015 and as at that date, the Fleet Management and Logistics and the Industrial Equipment divisions combined assets exceed its combined liabilities by R1 962 million (June 2015: R1 949 million). Note 34 also indicates that these conditions, along with the impact should the proposed transaction not be implemented, indicate the existence of a material uncertainty which may cast significant doubt on the Fleet Management and Logistics and the Industrial Equipment divisions ability to continue as a going concern.

**Basis of accounting**

Without modifying our conclusion, we draw attention to the Notes to the Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division, which describe the basis of accounting. We also draw attention to the fact that this Historical Financial Information has been prepared specifically to meet the requirements of the JSE Limited Listings Requirements in respect of this Circular to shareholders and may not be suitable for another purpose.

Yours faithfully,

Deloitte & Touche
Registered Auditors
Per M Rayfield
Partner

Deloitte & Touche
Registered Auditors
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)"

## SHARE PRICE HISTORY OF enX

A table of the aggregate volumes and values traded and the highest and lowest prices traded in enX shares for each month over the 12 months prior to the date of issue of the circular and for each day over the 30 days preceding the last practicable date prior to the date of the circular is set out below.

| Period | High (cents) | Low (cents) | Close (cents) | Volume | Value(R) |
|---|---|---|---|---|---|
| **Monthly** | | | | | |
| **2015** | | | | | |
| July | 230 | 200 | 220 | 7 627 911 | 17 411 773 |
| August | 230 | 200 | 218 | 2 920 411 | 5 960 453 |
| September | 220 | 200 | 220 | 6 604 222 | 13 874 049 |
| October | 250 | 200 | 237 | 5 254 110 | 11 963 661 |
| November | 255 | 202 | 240 | 5 398 873 | 12 805 356 |
| December | 240 | 200 | 210 | 2 366 416 | 5 050 680 |
| 2016 | | | | | |
| January | 220 | 185 | 200 | 6 245 387 | 12 580 072 |
| February | 222 | 170 | 190 | 3 288 648 | 6 493 422 |
| March | 190 | 170 | 187 | 1 182 947 | 2 117 267 |
| April | 187 | 162 | 183 | 3 546 052 | 6 112 043 |
| May | 188 | 145 | 178 | 1 527 412 | 2 585 594 |
| June | 225 | 172 | 208 | 1 453 787 | 2 941 551 |
| **Daily** | | | | | |
| **2016** | | | | | |
| 21 June | 210 | 210 | 210 | – | – |
| 22 June | 209 | 209 | 209 | 300 | 627 |
| 23 June | 209 | 209 | 209 | – | – |
| 24 June | 209 | 200 | 209 | 40 400 | 81 736 |
| 27 June | 215 | 215 | 215 | 1 450 | 3 117 |
| 28 June | 225 | 214 | 215 | 75 000 | 161 847 |
| 29 June | 215 | 181 | 213 | 55 502 | 118 443 |
| 30 June | 213 | 208 | 208 | 691 272 | 1 451 101 |
| 1 July | 203 | 190 | 193 | 345 247 | 674 266 |
| 4 July | 180 | 170 | 180 | 139 064 | 249 418 |
| 5 July | 180 | 180 | 180 | – | – |
| 6 July | 199 | 180 | 180 | 239 | 438 |
| 7 July | 190 | 190 | 190 | 194 | 368 |
| 8 July | 190 | 190 | 190 | 5 539 | 10 524 |
| 11 July | 190 | 190 | 190 | – | – |
| 12 July | 195 | 189 | 195 | 100 624 | 190 216 |
| 13 July | 190 | 190 | 190 | 60 624 | 115 185 |
| 14 July | 190 | 170 | 190 | 41 000 | 73 934 |
| 15 July | 190 | 170 | 190 | 15 270 | 28 759 |
| 18 July | 190 | 189 | 190 | 10 612 | 20 140 |
| 19 July | 190 | 190 | 190 | – | – |
| 20 July | 190 | 190 | 190 | – | – |
| 21 July | 188 | 175 | 188 | 239 000 | 445 960 |
| 22 July | 185 | 170 | 182 | 245 150 | 443 870 |
| 25 July | 190 | 189 | 190 | 10 612 | 20 140 |
| 26 July | 185 | 185 | 185 | – | – |
| 27 July | 185 | 176 | 178 | 10 900 | 19 719 |
| 28 July | 184 | 175 | 180 | 216 850 | 384 682 |
| 29 July | 183 | 183 | 183 | 532 | 973 |
| 1 August | 183 | 183 | 183 | – | – |
| 2 August | 180 | 179 | 180 | 10 000 | 17 920 |
| 3 August | 180 | 170 | 170 | 47 900 | 81 710 |
| 4 August | 180 | 175 | 180 | 500 000 | 895 900 |
| 5 August | 178 | 160 | 178 | 5 488 | 9 505 |
| 8 August | 178 | 178 | 178 | 25 200 | 44 856 |
| 10 August | 185 | 185 | 185 | – | – |

## THE EQSTRA TRANSACTION AGREEMENTS

The Eqstra transaction agreements comprise:

- the Eqstra main agreement, the salient features of which are set out in Part I of the category 1 circular;
- the Eqstra asset for share agreement, the salient features of which are set out in paragraph 1 below;
- the enX service agreement, the salient features of which are set out in paragraph 2 below;
- the underwriting agreement, the salient features of which are set out in paragraph 13 of the category 1 circular;
- the supplement to the Eqstra Corporation programme memorandum and applicable pricing supplements in respect of the Eqstra Corporation series 179 and 191 notes, the salient features of which are set out in Part I of the category 1 circular and **Annexure 7** of the revised listing particulars; and
- the MCC finance agreements, Eqstra Corporation finance agreements, the salient features of which are set out in Part I of the category 1 circular and **Annexure 7** of the revised listing particulars.

### 1. THE EQSTRA ASSET FOR SHARE AGREEMENT

1.1 In order to give effect to and prior to the implementation of the Eqstra transaction, Eqstra has incorporated Eqstra NewCo, as a wholly owned subsidiary of Eqstra. Following its incorporation, Eqstra will dispose of all of the shares held by it in each of the companies falling within the IE division and the FML division to Eqstra NewCo, in exchange for the issue by Eqstra NewCo of 18 ordinary shares in Eqstra NewCo. This transaction is being effected as an "asset for share transaction" in terms of section 42 of the Income Tax Act.

1.2 In terms of the Eqstra main agreement and immediately following completion of the placement, Eqstra will dispose of all of the shares which it holds in Eqstra NewCo to enX in consideration for the issue and allotment by enX to Eqstra of the enX consideration shares, as an "asset for share transaction" in terms of section 42 of the Income Tax Act, as a consequence of which Eqstra NewCo becomes the wholly owned subsidiary of enX, with Eqstra NewCo in turn holding the all of issued shares of each of the companies falling within the IE division and the FML division.

1.3 The disposal of all of the issued shares by Eqstra to enX will constitute a disposal by Eqstra of the greater part of its assets, in terms of section 115 as read with section 112 of the Companies Act. As such, the disposal is required to be approved by way of a special resolution to be passed by a 75% majority of votes cast by all Eqstra ordinary shareholders present in person or represented by proxy at a general meeting of Eqstra to be convened to approve such resolutions.

1.4 The enX consideration shares to be issued to Eqstra immediately following completion of the placement, will be listed on the JSE. As such, Eqstra will become the beneficial owner of the enX consideration shares, which will constitute 29.6% of enX's issued shares.

1.5 The Eqstra board of directors has resolved to unbundle the enX consideration shares to Eqstra ordinary shareholders in the ratio of 0.13 enX consideration shares for every 1 Eqstra ordinary share held at the close of business on the relevant record date. The unbundling will be effected as a dividend *in specie* in compliance with the provisions of section 46(1)(a)(ii) of the Companies Act, as read with section 46 of the Income Tax Act.

1.6 The unbundling will be implemented before enX undertakes the Eqstra ordinary share subscription, as a consequence of which enX will not participate in the unbundling of the enX consideration shares.

### 2. THE enX SERVICE AGREEMENT

In terms of the services agreement to be entered into between Eqstra and enX, enX will render to Eqstra and its subsidiaries services in relation to tax, internal auditing, information technology, company secretarial work, legal affairs, risk compliance and financial affairs. It is anticipated that the contract will endure indefinitely but can be terminated at any time on a six month prior written notice by either party. The fee payable by Eqstra to enX for services rendered will be determined and agreed between enX and Eqstra on a reasonable, arms-length basis.

## TABLE OF ENTITLEMENT

The following table sets out the number of enX shares of no par value which a shareholder of the company will receive pursuant to the consolidation based on the consolidation ratio of 1 enX share of no par value for every 11 enX shares of no par value held.

Fractions arising from the consolidation will be rounded down to the nearest whole number.

| Number of existing shares | Number of shares to which a shareholder is entitled | Fraction of share for which a shareholder will be paid in cash |
|---|---|---|
| 1 | 0.00 | 0.09 |
| 2 | 0.00 | 0.18 |
| 3 | 0.00 | 0.27 |
| 4 | 0.00 | 0.36 |
| 5 | 0.00 | 0.45 |
| 6 | 0.00 | 0.55 |
| 7 | 0.00 | 0.64 |
| 8 | 0.00 | 0.73 |
| 9 | 0.00 | 0.82 |
| 10 | 0.00 | 0.91 |
| 11 | 1.00 | 0.00 |
| 12 | 1.00 | 0.09 |
| 13 | 1.00 | 0.18 |
| 14 | 1.00 | 0.27 |
| 15 | 1.00 | 0.36 |
| 16 | 1.00 | 0.45 |
| 17 | 1.00 | 0.55 |
| 18 | 1.00 | 0.64 |
| 19 | 1.00 | 0.73 |
| 20 | 1.00 | 0.82 |
| 21 | 1.00 | 0.91 |
| 22 | 2.00 | 0.00 |
| 23 | 2.00 | 0.09 |
| 24 | 2.00 | 0.18 |
| 25 | 2.00 | 0.27 |
| 26 | 2.00 | 0.36 |
| 27 | 2.00 | 0.45 |
| 28 | 2.00 | 0.55 |
| 29 | 2.00 | 0.64 |
| 30 | 2.00 | 0.73 |
| 31 | 2.00 | 0.82 |
| 32 | 2.00 | 0.91 |
| 33 | 3.00 | 0.00 |
| 34 | 3.00 | 0.09 |
| 35 | 3.00 | 0.18 |
| 36 | 3.00 | 0.27 |
| 37 | 3.00 | 0.36 |
| 38 | 3.00 | 0.45 |
| 39 | 3.00 | 0.55 |
| 40 | 3.00 | 0.64 |
| 41 | 3.00 | 0.73 |
| 42 | 3.00 | 0.82 |
| 43 | 3.00 | 0.91 |
| 44 | 4.00 | 0.00 |
| 45 | 4.00 | 0.09 |
| 46 | 4.00 | 0.18 |
| 47 | 4.00 | 0.27 |
| 48 | 4.00 | 0.36 |

| Number of existing shares | Number of shares to which a shareholder is entitled | Fraction of share for which a shareholder will be paid in cash |
|---|---|---|
| 49 | 4.00 | 0.45 |
| 50 | 4.00 | 0.55 |
| 51 | 4.00 | 0.64 |
| 52 | 4.00 | 0.73 |
| 53 | 4.00 | 0.82 |
| 54 | 4.00 | 0.91 |
| 55 | 5.00 | 0.00 |
| 56 | 5.00 | 0.09 |
| 57 | 5.00 | 0.18 |
| 58 | 5.00 | 0.27 |
| 59 | 5.00 | 0.36 |
| 60 | 5.00 | 0.45 |
| 61 | 5.00 | 0.55 |
| 62 | 5.00 | 0.64 |
| 63 | 5.00 | 0.73 |
| 64 | 5.00 | 0.82 |
| 65 | 5.00 | 0.91 |
| 66 | 6.00 | 0.00 |
| 67 | 6.00 | 0.09 |
| 68 | 6.00 | 0.18 |
| 69 | 6.00 | 0.27 |
| 70 | 6.00 | 0.36 |
| 71 | 6.00 | 0.45 |
| 72 | 6.00 | 0.55 |
| 73 | 6.00 | 0.64 |
| 74 | 6.00 | 0.73 |
| 75 | 6.00 | 0.82 |
| 76 | 6.00 | 0.91 |
| 77 | 7.00 | 0.00 |
| 78 | 7.00 | 0.09 |
| 79 | 7.00 | 0.18 |
| 80 | 7.00 | 0.27 |
| 81 | 7.00 | 0.36 |
| 82 | 7.00 | 0.45 |
| 83 | 7.00 | 0.55 |
| 84 | 7.00 | 0.64 |
| 85 | 7.00 | 0.73 |
| 86 | 7.00 | 0.82 |
| 87 | 7.00 | 0.91 |
| 88 | 8.00 | 0.00 |
| 89 | 8.00 | 0.09 |
| 90 | 8.00 | 0.18 |
| 91 | 8.00 | 0.27 |
| 92 | 8.00 | 0.36 |
| 93 | 8.00 | 0.45 |
| 94 | 8.00 | 0.55 |
| 95 | 8.00 | 0.64 |
| 96 | 8.00 | 0.73 |
| 97 | 8.00 | 0.82 |
| 98 | 8.00 | 0.91 |
| 99 | 9.00 | 0.00 |
| 100 | 9 | 0.09 |
| 1 000 | 90 | 0.91 |
| 10 000 | 909 | 0.09 |
| 1 000 000 | 90909 | 0.09 |
| 10 000 000 | 909090 | 0.91 |
| 100 000 000 | 9090909 | 0.09 |
| 1 000 000 000 | 90909090 | 0.91 |

## CORPORATE INFORMATION ON THE CO-UNDERWRITERS

Details in respect of the co-underwriters are set out below:

| | |
|---|---|
| **Full legal entity name:** | Anchor Capital Proprietary Limited |
| **Directors:** | Michael Teke, Peter Armitage, Alastair Adams, Nicholas Dennis, Todd Kaplan, Paul Nkuna, Kajal Bissessor and Omair Khan |
| **Company Secretary:** | CIS Company Secretaries Proprietary Limited |
| **Date and place of incorporation:** | Johannesburg, 18 March 2009 |
| **Registration number:** | 2009/002925/07 |
| **Registered address:** | 25 Culross Road, Bryanston, Sandton, 2191 |
| **Auditors:** | Grant Thornton Johannesburg Partnership |
| **Commercial bankers:** | Rand Merchant Bank, a division of FirstRand Bank Limited |
| **Authorised shares:** | 1 000 000 000 ordinary shares of no par value |
| **Issued shares:** | 162 559 476 ordinary shares of no par value |
| **Full legal entity name:** | First Avenue Investment Management Proprietary Limited |
| **Directors:** | H Giyose, J Haynes, N Mohamed, N Naidoo (non-exec.), TBL Molefe (non-exec.) |
| **Company Secretary:** | CIS Company Secretaries Proprietary Limited |
| **Date and place of incorporation:** | 24 November, 2008, Johannesburg |
| **Registration number:** | 2008/027511/07 |
| **Registered address:** | 21 Fricker Road, Illovo, Sandton, 2195 |
| **Auditors:** | Certified Master Auditors Incorporated |
| **Commercial bankers:** | ABSA Bank |
| **Authorised shares:** | 4 000 |
| **Issued shares:** | 600 |
| **Full legal entity name:** | Ellerine Group Proprietary Limited |
| **Directors:** | Kevin Ellerine and Steve Bakos |
| **Company Secretary:** | Ellerine Group is a private company and as such does not have a company secretary |
| **Date and place of incorporation:** | 13 December 1968 , Johannesburg |
| **Registration number:** | 1968/105/292/07 |
| **Registered address:** | Unit 9A, 1st Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg, 2196 |
| **Auditors:** | Neale Whitecross and Associates |
| **Commercial bankers:** | Nedbank |
| **Authorised shares:** | 1 000 ordinary shares of R1 each; and<br>2 000 000 7% non-cumulative redeemable preference shares of R1 each |
| **Issued shares:** | 600 ordinary shares of R1 each<br>112 000 7% non-cumulative redeemable preference shares of R1 each |
| **Full legal entity name:** | Richmark Proprietary Limited |
| **Directors:** | Ebrahim Karoliam, Isla Pearce, George Negota, Gregory van Rensburg |
| **Company Secretary:** | Stein Auditors |
| **Date and place of incorporation:** | 29 June 2000 |
| **Registration number:** | 2000/013818/07 |
| **Registered address:** | 5th Floor, Capital Hill, 6 Benmore Drive, Sandton, 2196 |
| **Auditors:** | Stein Auditors |
| **Commercial bankers:** | ABSA Bank |
| **Authorised shares:** | 1 000 |
| **Issued shares:** | 100 |

| | |
|---|---|
| **Full legal entity name:** | Classic International Impex Proprietary Limited |
| **Directors:** | Mark Andrew Stewart |
| **Company Secretary:** | None appointed |
| **Date and place of incorporation:** | 30/06/1961, Johannesburg |
| **Registration number:** | 1961/000408/07 |
| **Registered address:** | 2nd Floor; 1 Melrose Arch Boulevard; Melrose Arch; 2196 |
| **Auditors:** | Stein Baltsoucos and Associates (now Stein Registered Auditors) |
| **Commercial bankers:** | Standard Bank |
| **Authorised shares:** | 4240 ordinary shares of R2 each |
| **Issued shares:** | 3040 ordinary shares of R2 each |

## SALIENT FEATURES OF THE enX FORFEITABLE SHARE PLAN

The salient features of the enX forfeitable share plan ("**FSP**") are set out below. The details below are a direct extract from the FSP.

1. **"INTRODUCTION**

The purpose of the FSP is to:

1.1 provide selected Employees of the Participating Companies with the opportunity of receiving Shares in the company through the making of Awards of Forfeitable Shares;

1.2 recognise contributions made by the selected Employees and to provide for an incentive for their continuing relationship with the group, by providing them with the opportunity of receiving Shares, thereby providing such Employees with an incentive to advance the group's interests and improve its financial performance;

1.3 endorse a performance based culture within the group;

1.4 align the interest of the Employees with the interest of the shareholders of the company; and

1.5 ensure that the group attracts and retains the core competencies required for formulating and implementing the group's business strategies."

2. **DEFINITIONS**

| | | |
|---|---|---|
| "2.1.4 | "**Award**" | an award of a specified number of fully paid Shares granted to an Employee under Rule7 on the basis that a Participant may forfeit such Shares in the circumstances set out in the Letter of Grant, read with this FSP;" |
| "2.1.14 | "**Date of Grant**" | the later of (i) the dates, as specified in the Letter of Grant, on which an Award is made to an Employee (being a date not earlier than the date on which the Committee resolves to make such an Award to an Employee) and (ii) the date of receipt by the Employee of the Letter of Grant, unless otherwise specified in this FSP; |
| 2.1.15 | "**Dispose**" | includes, sell, alienate, transfer, distribute, exchange, donate or otherwise dispose of and "Disposal" shall bear a corresponding meaning; |
| 2.1.16 | "**Employee(s)**" | any person holding full time permanent salaried employment or executive office with any Participating Company, including an executive director of any Participating Company, as at the time of the making of a Grant, but excluding any non-executive director of the Group;" |
| 2.1.17 | "**Encumber**" | includes a pledge, cede *in securitatem debiti*, subject to a hypothec or lien or otherwise encumber;" |
| "2.1.21 | "**Forfeitable Shares**" | the Shares as specified in the Letter of Grant, registered in the name of the Participant in terms of Rule 7.4, the Vesting of which may be subject to the fulfilment of the Performance Condition, as specified in the Letter of Grant;" |
| "2.1.24 | "**Grant**" | a grant of an Award to an Employee as specified in the Letter of Grant;" |
| "2.1.28 | "**Letter of Grant**" | a document prepared by or on behalf of a Participating Company that is sent by the Committee to an Employee informing the Employee of the grant of an Award to such Employee, which shall include the information as set out in Rule 7.3.1;" |
| "2.1.30 | "**Market Value**" | in relation to a Share on any particular day, the volume weighted average market price of a Share on that day as quoted on the JSE;" |
| "2.1.33 | "**Participant**" | an Employee to whom a Grant has been made and who has Accepted such Grant, including the executor of his deceased estate, where appropriate, but excluding a non-executive director of the Participating Company;" |

| | | |
|---|---|---|
| "2.1.35 | "**Performance Condition**" | the performance condition(s) specified in the Letter of Grant, to which the Vesting of an Award (or portion of an Award) is subject; |
| 2.1.36 | "**Performance Period**" | the period(s) in respect of which Performance Condition(s) are to be satisfied, as set out in the Letter of Grant, being a minimum of 2 (two) years commencing on the Date of Grant;" |
| "2.1.46 | "**Termination Date**" | the date upon which a Participant ceases permanently to be an Employee of any Group Member; |
| 2.1.47 | "**Vest**" | when a Participant becomes unconditionally entitled to the Forfeitable Shares that have been Awarded to him, without restriction or potential forfeiture, which shall occur after the Committee notifies the Participant in writing that the Performance Condition(s) in respect of the relevant Forfeitable Shares has been fulfilled, and "Vested" and "Vesting" shall be construed accordingly; |
| 2.1.48 | "**Vesting Date**" | the date on which Vesting occurs;" |

5. **"OPERATION OF THE PLAN**

5.1 **Basis of Awards**

The Committee is responsible for the operation and administration of the FSP and the Committee has the sole and absolute discretion to decide whether and on what basis Awards shall be made and how the FSP shall be operated, but subject to the provisions of Rule 7.2.

5.2 **Timing of Operation**

The Committee may decide at any time and in its discretion, when the FSP shall be operated and shall notify potential Employees accordingly. Save as specifically otherwise provided in this FSP, the Committee may not withdraw a Participant from the FSP in respect of a Grant already made.

5.3 **Eligibility to participate in the FSP**

The Committee may, on behalf of a Participating Company, select any Employee of such Participating Company to be a Participant in the FSP, pursuant to the Committee having taken into account recommendations from the relevant Participating Company.

6. **FSP LIMITS**

6.1 **Overall Share Limit**

6.1.1 Subject to Rules 6.3 and 14, the aggregate number of Shares at any one time which may be utlilised under the FSP shall not exceed 5 000 000 (five million) Shares (calculated post Consolidation).

6.1.2 The limit referred to in Rule 6.1.1 shall exclude the following:

6.1.2.1 Shares purchased in the market as contemplated in Rule 8.1.1 in Settlement of Awards; and

6.1.2.2 Forfeitable Shares purchased in the market that have been Awarded to a Participant under this FSP, but which have been forfeited in terms of the Rules and as a result of which do not subsequently Vest in and get issued to a Participant, as a result of the forfeiture thereof.

6.1.3 The limit referred to in Rule 6.1.1 shall include the following:

6.1.3.1 the actual number of new Shares allotted and issued by the Company in Settlement of Awards as contemplated in Rule 8.1.2; and

6.1.3.2 Shares held in treasury by any Participating Company that have been utilised for the Settlement of Awards as contemplated in Rule 8.1.1.

6.2 **Individual limit**

6.2.1 Subject to the provisions of Rule 14 (under which the number of Shares subject to an Award can be adjusted in certain circumstances), the maximum number of Shares that can be allocated to any individual Participant in respect of all Awards, but which had not yet Vested, in respect of this FSP shall not exceed 900 000 (nine hundred thousand) Shares (calculated post Consolidation).

6.2.2 The Committee, acting on behalf of any Participating Company, may not grant Awards to an Employee in any Financial Year to the extent that it would, at the proposed Date of Grant, cause the Face Value of the Grant, which such Employee has been granted in that Financial Year, to exceed 150% (one hundred and fifty percent) of the Employee's Base Pay at the proposed Date of Grant. In order to enhance the company's ability to attract external candidates, the Committee has the discretion to increase such limit to 240% (two hundred and forty percent) in the year of appointment of an Employee.

6.3 **Adjustments**

6.3.1 The board must adjust the maximum number of Shares available for the FSP (without the prior approval of the company in general meeting) to take account of a sub-division or consolidation of the Shares of the company. Such adjustment should ensure that the aforesaid limits represent the same proportion of the equity capital of the company as it is represented before such event.

6.3.2 The board must adjust the maximum individual limit (without the prior approval of the company in general meeting) to take account of a Capitalisation Issue, a special distribution, a Rights Issue or a reduction of capital of the company. Such adjustment should give a Participant entitlement to an equivalent proportion of equity capital of the company as to that which he/she was previously entitled immediately prior to the aforementioned event.

6.3.3 The Auditors, or other independent advisors acceptable to the JSE, shall confirm to the JSE in writing that any such adjustments in terms of the provisions of Rules 6.3.1 and/or 6.3.2 above has been properly calculated on a reasonable and equitable basis, in accordance with this FSP.

6.3.4 The issue of Shares as consideration for an acquisition, and the issue of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the maximum number of Shares available for the FSP and the maximum individual limit.

6.3.5 Any adjustments made in terms of the provisions of Rules 6.3.1 and/or 6.3.2 above must be reported in the company's financial statements in the year during which the adjustment is made.

## 7. GRANT

7.1 **Time when Grants may be made**

The Committee may, on behalf of a Participating Company, select any Employee of such Participating Company for participation in the FSP, and may make a Grant to him/her at any time, provided such Grant is made after the adoption of the FSP (in terms of the Listing Requirements) and such Grant is not made –

7.1.1 to the Employee at a time when the making of an Award to such Employee during a Prohibited Period would not be permissible in terms of the Listings Requirements; and/or

7.1.2 on any day on which there are any restrictions on the making of an Award to the Employee imposed by any statute, order, regulation or directive, or by any code adopted by the Company based on the provisions contained in the King Report on Corporate Governance relating to dealings in securities by directors and/or the Listings Requirements.

7.2 **Basis upon which the Grant is made**

The basis upon which the Grant is made shall take account of the Employee's Base Pay and designation within the Participating Company. The number of Shares to be comprised in the Grant shall be as the Committee may, in its discretion, determine in accordance with the provisions of Rule 7.3.1.

7.3 **Offer and acceptance of Grants**

7.3.1 The Committee may, on behalf of a Participating Company, make a Grant to an Employee of such Participating Company by delivering to him/her a Letter of Grant which shall specify the particulars of the Grant, including:

7.3.1.1 the name of the Employee;

7.3.1.2 the number of Shares comprised in the Grant;

7.3.1.3 the Performance Period(s);

7.3.1.4 the Performance Condition(s);

7.3.1.5 the Date of Grant; and

7.3.1.6 any other relevant terms and conditions.

7.3.2 Any Grant shall:

7.3.2.1 be personal to the Employee to whom it is addressed, and may only be acted on by him/her;

7.3.2.2 if accepted, must be Accepted by Notice of Acceptance delivered to the Committee, the Company or the Participating Company within 5 (five) days after the Date of Grant, failing which, the Employee shall be deemed to have rejected the whole of the Forfeitable Shares; and

7.3.2.3 state that it is made on the terms and subject to the conditions of the Rules of the FSP.

7.3.3 A Grant or part thereof, which is rejected (or deemed to have been rejected) by an Employee after the period referred to in Rule 7.3.2.2, shall lapse and shall be deemed never to have been offered. No consideration is payable on the lapse of the Grant.

7.3.4 Awards accepted by an Employee in accordance with the provisions of these Rules of the FSP shall take effect from the date specified in the Letter of Grant.

7.3.5 Participants are not required to pay for the Grant of any Award."

9. **"PARTICIPANT'S RIGHTS BEFORE THE VESTING DATE**

9.1 With effect from the Settlement Date, each of the Participants shall have all shareholder rights, including the right to vote and the right to participate in distributions by the Company, in respect of the Forfeitable Shares awarded to him, subject to the forfeiture and disposal restrictions until the Vesting Date and remaining provisions of this FSP, and such Forfeitable Shares shall rank *pari passu* with the existing Shares in the issued stated capital of the Company. To the extent that the Participant does not exercise his/her shareholder rights, they may not be exercised by the Escrow Agent. The granting of an Award shall not confer any rights on a Participant to Encumber, sell or otherwise Dispose of the Forfeitable Shares prior to the Vesting thereof.

9.2 The voting rights attaching to Shares earmarked by the Company for the purposes of this FSP which are not the subject matter of an Award (or if the subject matter of an Award, have not been Accepted by an Employee) (i.e. unallocated Shares), shall not be taken into account at any general/annual general meeting of the company for the purposes of any resolutions proposed in terms of the Listings Requirements. Furthermore, the aforementioned Shares shall not be taken into account for the purposes of determining categorisations as detailed in section 9 of the Listings Requirements."

12. **"TERMINATION OF EMPLOYMENT**

12.1 **Resignation, dismissal and/or abscondment**

If a Participant ceases to be employed by a Group Member before the Vesting Date, by reason of hi/hers resignation, dismissal or abscondment, he/she shall cease to be entitled to any rights associated with the Grant and the Forfeitable Shares that are the subject of the Award shall be forfeited.

12.2 **Death, Redundancy, Medical Disability and Retirement**

12.2.1 If a Participant ceases to be employed by any Group Member before the Vesting Date, by reason of his/her death, Redundancy, Medical Disability or Retirement, the number of Forfeitable Shares to Vest on the Termination Date shall be calculated in accordance with the undermentioned formula (rounded down to the nearest whole Share), unless the Committee, following a review of the Performance Condition and the extent to which it has been satisfied up to the Termination Date, permits the Participant to acquire a greater number of Forfeitable Shares (in addition to those to which the Participant is entitled under Rule 12.2.2) -

$$A \times \frac{B}{C} \times P$$

where -

A = the targeted number of Forfeitable Shares originally awarded to the Participant in the Award and which have not yet Vested;

B = the number of completed calendar months which have elapsed from the Award Date to the Termination Date;

C = the applicable Performance Period;

P = a performance factor which the Committee may in its discretion apply, based on its review of the Performance Condition as at the Termination Date.

12.2.2 In addition to any Vesting of Awards under Rule 12.2.1, all Awards that have not Vested as at the Termination Date, shall immediately Vest in respect of and to the extent that any Performance Condition that has been met on the Termination Date by reference to any assessment and determination under Rule 10 notwithstanding that this may have occurred prior to the expiry of the Performance Period.

12.2.3 Save as provided to the contrary in this Rule 12.2, the Performance Condition shall not apply to the Vesting of the Awards."

13. **"RECONSTRUCTION OR TAKEOVER**

13.1 In the event of a Reconstruction or Takeover of the Company or any Participating Company before the Vesting Date resulting in the termination of the employment of one or more or all of the Participants by a Group Member before the Vesting Date, the Committee calculates the number of Forfeitable Shares to Vest in each Participant affected thereby, in accordance with the formula set out in Rule 12.2.1 (rounded down to the nearest whole Share), save only that the letter ***P*** in such formula shall be disregarded and the Termination Date (in the said formula) shall be deemed to be the applicable closing date of the Reconstruction or Takeover. The Committee shall procure unrestricted delivery and the release from the Escrow Agent of the Vested Forfeitable Shares so calculated as soon as possible. The portion of the Awards that do not Vest early shall continue to be subject to the terms of the Letter of Grant relating thereto, unless the Committee, in its absolute discretion, determines that the terms of the Letter of Grant relating thereto are no longer relevant or appropriate, in which case the Committee shall be entitled, in its discretion, to make an adjustment to the number of Forfeitable Shares subject to an Award, or convert Awards into share awards in respect of shares in one or more other companies participating in the Reconstruction or Takeover, provided the Participant is no worse off.

13.2 For the purposes of this Rule 13, the Committee must be constituted as it was constituted immediately before the Reconstruction or Takeover.

13.3 If there is an internal reconstruction or other event which does not involve any substantial change in the ultimate Control of the Company, and therefore is not a Reconstruction or Takeover, or if any other event happens which may affect Grants, including the Shares ceasing to be listed on the JSE, Forfeitable Shares shall not Vest early. However, the Committee may take such action as it considers appropriate to protect the interests of Participants, limited to converting Grants into equivalent grants in respect of shares in one or more other companies or making an adjustment to the number of Forfeitable Shares subject to an Award, provided the Participant is no worse off.

13.4 If the Company is placed into liquidation for purposes other than reorganisation, the Award shall *ipso facto* lapse as from the liquidation date.

13.5 For the purpose of this Rule 13, a Reconstruction or Takeover of the Company or any Participating Company shall be deemed to include, but not be limited to, the Disposal of all or the greater part of the shares of a Participating Company or its underlying business, alternatively the listing of the shares of such Participating Company on a recognised stock exchange, independently of the Company or the Group, resulting in a Participant ceasing to be employed by a Group Member."

14. **"VARIATION IN STATED CAPITAL**

14.1 In the event of a Rights Issue, Capitalisation Issue or any other corporate action or other event reducing or otherwise affecting the stated capital of the company, a demerger (in whatever form), or the company making a distribution to its shareholders (including a distribution *in specie*) (other than a dividend paid in the ordinary course of business out of distributable reserves), before the Vesting Date in respect of an Award, the Committee may make such adjustment to the number of Forfeitable Shares comprised in the relevant Grants as would give a Participant the same proportion of the company's equity capital as that to which he/she would have been entitled under the Plan prior to the adjustment.

14.2 The Committee shall notify the Participants of any adjustments which are made under this Rule 14.

14.3 The Auditors shall confirm in writing to the JSE whether these adjustments were calculated in accordance with the provisions of the Plan. Such confirmation is to be provided to the JSE at the time that the relevant adjustment is finalised.

14.4 Any adjustments made shall be reported on in the company's annual financial statements in the year during which the adjustment is made.

14.5 The issue of Shares in consideration of an acquisition, the issue of Shares for cash and the issue of Shares pursuant to a vendor consideration placing shall not be regarded as a circumstance requiring adjustment in terms of this Rule 14."

18. **"AMENDMENTS AND TERMINATION**

18.1 Save as provided in this Rule 18, the Committee may in its discretion alter, vary or add to these terms and conditions as it thinks fit. Amendments to these terms and conditions may only affect Grants which have already been made if they are to the advantage of Participants.

18.2 The provisions relating to:

18.2.1 eligibility to participate in the FSP;

18.2.2 the aggregate maximum number of Shares subject to the FSP;

18.2.3 the basis for determining Grants;

18.2.4 the amount (if any) payable by an Employee for a Grant on the acceptance, Settlement and/or Vesting of a Grant;

18.2.5 the adjustment of Grants in the event of a variation of capital of the Company subject to Rules 6.3.1 or 6.3.2;

18.2.6 the voting, dividend and other rights attaching to the Shares of the FSP, including those arising on a liquidation of the company;

18.2.7 the maximum number of Forfeitable Shares allocated to all unvested Awards granted to any Participant;

18.2.8 the rights of Participants who leave the employment of the Company whether by termination, resignation, retirement or death, insofar as their early departure from the FSP is concerned; and

18.2.9 the terms of this Rule 18.2,

may not be amended without the prior approval by ordinary resolution of the shareholders of the company in a general meeting, requiring a 75% (seventy five percent) majority of the votes cast in favour of such resolution by shareholders present or represented by proxy at the general meeting to approve such resolution, excluding all the votes attached to all Shares owned or controlled by persons who are existing Participants in the FSP and which have been acquired in terms of the FSP.

18.3 Subject to Rule 18.2, the Committee may make amendments to benefit the administration of the FSP, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable, taxation or regulatory treatment of any Group Member or any present or future Participant.

18.4 As soon as reasonably practicable after making any amendment to the FSP, the Committee shall give written notice to any Participant materially affected by the amendment.

18.5 **Subsisting rights**

Subject to Rule 18.2, the Committee cannot change the terms or conditions of the FSP in a way which would abrogate or adversely affect the subsisting rights of a Participant unless they obtain the written consent of such number of Participants who hold 66.7% (sixty six point seven percent) of the Forfeitable Shares comprised in all subsisting Grants under the FSP. Alternatively, the change may be made by resolution at a meeting of Participants passed by not less than 66.7% (sixty six point seven percent) of the Participants who attend and vote either in person or by proxy, provided that a quorum for such meeting to be validly constituted shall be those Participants holding at least 25% (twenty five percent) of all of the Forfeitable Shares.

18.6 **Termination of the Plan**

Subject to Rule 18.2, the Committee may terminate the FSP at any time, provided that termination shall be without prejudice to existing Awards made."

**enX 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 Thursday, 22 September 2016 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:**

| | **2016** |
|---|---|
| Record date to receive circular (together with the notice convening the general meeting) | Friday, 19 August |
| Circular (together with the notice convening the general meeting) posted | Wednesday, 24 August |
| Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS | Wednesday, 24 August |
| Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press | Thursday, 25 August |
| Last day to trade in order to be eligible to vote at the general meeting | Tuesday, 13 September |
| Voting record date | Friday, 16 September |
| Last day to lodge forms of proxy for the general meeting (by 10:00) | Tuesday, 20 September |
| General meeting held at 10:00 | Thursday, 22 September |
| Results of the general meeting released on SENS | Thursday, 22 September |

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. 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.

**Definitions and incorporation of provisions of the circular**

Where appropriate and applicable, unless the converse appears from the context, terms defined in the circular to which this notice of general meeting is attached ("**the circular**") bear the same meanings in this notice of general meeting. This notice of general meeting shall be read together with the contents of the circular.

**Inter-conditionality of certain resolutions**

Save for special resolution 1 and special resolution 2 (which resolutions are not conditional on the remaining resolutions set out in this notice of general meeting, save only that the passing of special resolution number 2 is conditional of special resolution number 1 being passed), all of the other ordinary and special resolutions pertaining only to the Eqstra transaction set out in Part II of this notice of general meeting are inter-conditional. The resolutions set out in Part III of this notice of general meeting pertaining to the enX Forfeitable Share Plan are inter-conditional. No conditions attach to the resolutions set out in Part IV. The failure to pass any one of the inter-conditional resolutions shall (unless otherwise determined by the company) cause each of the other inter-conditional resolution to fail, notwithstanding that the particular resolution/s may have been passed by the requisite majority of shareholders.

**PART I – AMENDMENTS TO THE AUTHORISED AND ISSUED SHARES OF THE COMPANY**

**SPECIAL RESOLUTION NUMBER 1: CONSOLIDATION OF SHARES**

"Resolved as a special resolution in terms of clause 8.2 of the company's Memorandum of Incorporation and subject to the filing with the Companies and Intellectual Property Commission ("**CIPC**") of this special resolution number 1 that:

- the authorised ordinary shares of the company, comprising 1 000 000 000 ordinary shares of no par value be and are hereby consolidated and reduced on an 11 to 1 basis into 90 909 090 ordinary shares of no par value (being the "share consolidation") on the basis that paragraph 8.1.1 of the company's Memorandum of Incorporation be and are hereby amended to read: "90 909 090 ordinary no par value shares, of the same class, each of which ranks *pari pass*u in respect of all rights and entitles the holder to; and
- simultaneously therewith, the issued ordinary shares of the company be and are hereby consolidated and reduced on an 11 to 1 basis."

**Voting requirement**

Special resolution number 1 requires for its approval, 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.

**Reason for and effect of special resolution number 1**

The reason for special resolution number 1 is to consolidate the company's existing authorised and issued ordinary shares on an 11 to 1 basis. The effect of special resolution number 1 will be that the company's authorised and issued shares will be consolidated on an 11 to 1 basis, such that immediately following the share consolidation, the authorised shares of the company will comprise 90 909 090 shares and the issued shares of the company will comprise 54 562 187.

**SPECIAL RESOLUTION NUMBER 2: INCREASE OF THE COMPANY'S AUTHORISED SHARES**

"Resolved as a special resolution in terms of clause 8.2 of the company's memorandum of incorporation and subject to the filing of special resolution number 1 to be considered at this general meeting with CIPC and the filing of this special resolution number 2 with CIPC, the authorised shares of the company of 90 909 090 ordinary shares of no par value be and is hereby increased to 1 000 000 000 ordinary shares of no par value, by the creation of an additional 909 090 910 ordinary shares of no par value and that the existing memorandum of incorporation of the company be and are hereby amended to provide for the aforesaid increase in the company's authorised shares."

**Voting requirement**

Special resolution number 2 requires for its approval, 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.

**Reason for and effect of special resolution number 2**

The reason for and effect of special resolution number 2 is to increase the company's authorised shares of 90 909 090 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value, so as to facilitate the allotment and issue of ordinary shares in the company for the purposes of being able to issue the enX consideration shares in the context of the Eqstra transaction, the placement shares pursuant to the specific issue and for the purpose of other possible acquisitions and capital raisings as are authorised in terms of the company's memorandum of incorporation, but subject always to the necessary consents and approvals being in place by shareholders, the JSE and other regulatory authorities. The number of issued shares of the company will remain unchanged pursuant to the authorised share increase.

**PART II – THE EQSTRA TRANSACTION**

**ORDINARY RESOLUTION NUMBER 1: APPROVAL OF THE EQSTRA TRANSACTION**

"Resolved that:

- the conclusion and implementation of the Eqstra transaction (including the Eqstra transaction agreements) be and is hereby ratified and approved;
- the board of directors of enX be and is hereby authorised to do all such things and execute all such forms and documentation necessary or incidental to the conclusion and implementation of the Eqstra transaction (including the Eqstra transaction agreements)."

**Voting requirements**

Ordinary resolution number 1 requires for its approval the support of the holders of more than 50% of the voting rights exercised thereon at the general meeting, present in person or represented by proxy.

**SPECIAL RESOLUTION NUMBER 3: AUTHORITY TO ISSUE SHARES IN TERMS OF SECTION 41(3) OF THE COMPANIES ACT IN RESPECT OF THE EQSTRA TRANSACTION**

"Resolved that, in terms of section 41(3) of the Companies Act, and pursuant to the implementation of the Eqstra transaction, as set out in Part I of the circular to which this notice of general meeting is attached, the board of directors of enX be and is hereby authorised to allot and issue (following the allotment and issue of the placement shares) the enX consideration shares to Eqstra the terms and subject to the conditions set out in Part I of the circular to which this notice of general meeting is attached, notwithstanding that the enX consideration shares may have voting powers in excess of 30% of the voting powers of all enX shares in issue immediately prior to such issue."

**Voting requirement**

Special resolution number 3 requires for its approval 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.

**Reason for and effect of special resolution number 3**

The reason for and effect of special resolution number 3 is to authorise the issue of the enX consideration shares pursuant to the Eqstra transaction, notwithstanding that the enX consideration shares may have voting powers in excess of 30% of the voting powers of all enX shares in issue immediately prior to such issue.

**SPECIAL RESOLUTION NUMBER 4: PROVISION OF FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED PARTIES**

"Resolved that, to the extent required by the Companies Act and subject to compliance with the requirements of the Companies Act and the JSE Listings requirements, the board of directors of the company be and is hereby authorised to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, to Eqstra and/or any one or more of its subsidiaries (the "**Eqstra group**") as part of and pursuant to the conclusion and/or implementation of the Eqstra transaction."

**Voting requirement**

Special resolution number 4 requires for its approval 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.

**Reason for and effect of special resolution number 2**

In terms of the Eqstra transaction, it is necessary for enX to provide financial assistance to the Eqstra group as part of and pursuant to the Eqstra transaction for the purposes of giving effect to the recapitalisation of Eqstra and the Eqstra group. This authority is necessary in order for enX to provide such financial assistance.

**ORDINARY RESOLUTION NUMBER 2: SPECIFIC AUTHORITY TO ISSUE SHARES FOR CASH**

"Resolved that the board of directors of enX be and are hereby authorised to allot and issue for the purpose of the placement, new enX shares from the authorised but unissued shares of the company for an aggregate issue price not to exceed R1.5 billion subject to compliance with the following requirements:

- the new shares are to comprise ordinary shares which rank *pari passu* with the current issued ordinary shares of the company;
- the new shares may be issued to public and non-public shareholders (as defined in paragraph 5.25 to 5.27) of the JSE Listings Requirements;
- the maximum number of new shares that may be issued pursuant to this authority shall not exceed 71 428 572 new shares (post the share consolidation);
- at least 35 707 286 new shares shall be issued to Anchor Capital, Classic International and First Avenue at a price of not less than R21.00 per share (post the share consolidation) pursuant to the underwriting and subscription agreement entered into between the company and the co-underwriters;
- the new shares are to be issued at a price of not less than R21.00 per share (post the share consolidation) (which price constitutes a premium to the weighted average price at which enX shares have traded over the 30 business days prior to the date that the issue price was determined by the board of directors of the company);
- approval for the specific issue for cash in terms of this resolution is supported by 75% majority of the votes cast in favour of such resolution by all holders of enX shares present in person or represented by proxy at a general meeting convened to approve such resolution, excluding the votes of each of Anchor Capital, Classic International and First Avenue or an associate (as defined in the JSE Listings Requirements) of Anchor Capital, Classic International and First Avenue."

**Voting requirement**

In terms of section 5.51(g) of the Listings Requirements and pursuant to rulings received from the JSE, ordinary resolution number 2 requires for its approval the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy at the meeting convened to approve such resolution excluding the votes of Anchor Capital, Classic International, First Avenue or any of their associates.

**SPECIAL RESOLUTION NUMBER 5: AUTHORITY TO ISSUE SHARES IN TERMS OF SECTIONS 41(1) AND 41(3) OF THE COMPANIES ACT**

"Resolved that, in accordance with the provisions of sections 41(1) and 41(3) of the Companies Act the directors of the company be and are hereby authorised to allot and issue new enX shares in the authorised but unissued shares of the company, up to a maximum subscription amount of up to R1.5 billion (at an issue price of not less than R21.00 per share (post the share consolidation)), pursuant to the terms of the specific issue and placement as detailed in Part II of the circular to which this notice of general meeting is attached, notwithstanding that such new enX shares issued pursuant to the specific issue and placement may have voting powers in excess of 30% of the voting powers of all enX shares in issue immediately prior to such issue and the new enX shares may be issued to directors, future directors, prescribed officers or future prescribed officers of enX, persons related or inter-related to enX or directors, future directors, prescribed officers or future prescribed officers of enX or their nominees."

**Voting requirement**

Special resolution number 5 requires for its approval 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.

**Reason for and effect of special resolution number 5**

The reason for special resolution number 5 is to permit enX to issue new enX shares pursuant to the specific issue and placement, in accordance with the provisions of sections 41(1) and 41(3) of the Companies Act, as the new enX shares issued pursuant to the specific placement may have voting powers in excess of 30% of the voting powers of all enX shares in issue immediately prior to such issue and the new enX shares issued pursuant to the specific issue and placement may be issued to directors, future directors, prescribed officers or future prescribed officers of enX, persons related or inter-related to enX or directors, future directors, prescribed officers or future prescribed officers of enX or their nominees.

**ORDINARY RESOLUTION NUMBER 3: ELECTION OF JAN LODEWYK SERFONTEIN AS A DIRECTOR**

"It is resolved that subject to the Eqstra transaction being implemented in accordance with its terms, Jan Lodewyk (Jannie) Serfontein be and is hereby appointed as an executive director and chief executive officer of the company, with effect from the date of implementation of the Eqstra transaction."

A brief CV of Jannie Serfontein is set out in paragraph 3 of the revised listing particulars.

**Voting requirement**

Ordinary resolution number 3 requires for its approval the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy.

**ORDINARY RESOLUTION NUMBER 4: ELECTION OF LOUIS VON ZEUNER AS A DIRECTOR**

"It is resolved that subject to the Eqstra transaction being implemented in accordance with its terms, Louis Von Zeuner be and is hereby appointed as an independent non-executive director of the company, with effect from the date of implementation of the Eqstra transaction."

A brief CV of Louis Von Zeuner is set out in paragraph 3 of the revised listing particulars.

**Voting requirement**

Ordinary resolution number 4 requires for its approval the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy.

**ORDINARY RESOLUTION NUMBER 5: ELECTION OF STEFANES BOOYSEN AS A DIRECTOR**

"It is resolved that subject to the Eqstra transaction being implemented in accordance with its terms, Stefanes (Steve) Booysen be and is hereby appointed as an independent non-executive director of the company, with effect from the date of implementation of the Eqstra transaction."

A brief CV of Steve Booysen is set out in paragraph 3 of the revised listing particulars.

**Voting requirement**

Ordinary resolution number 5 requires for its approval the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy.

**PART III– THE FORFEITABLE SHARE PLAN AND GENERAL RESOLUTIONS**

**ORDINARY RESOLUTION NUMBER 6: ADOPTION OF THE enX FORFEITABLE SHARE PLAN**

"It is resolved that the enX Forfeitable Share Plan, a copy of which has been tabled at this general meeting and initialled by the chairman for identification purposes, be and is hereby approved."

Further information regarding the enX Forfeitable Share Plan is set out in **Annexure 11** of the circular to which this notice of general meeting is attached.

The enX Forfeitable Share Plan will be available for inspection at enX's offices (202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196) from the date of issue of the circular to which this notice of general meeting is attached to the date on which the general meeting is held.

**Voting requirement**

In terms of the JSE Listings Requirements, ordinary resolution number 6 requires for its approval the support of at least 75% of the total number of votes exercisable by shareholders, present in person or represented by proxy.

**ORDINARY RESOLUTION NUMBER 7: CONTROL OVER UNISSUED ORDINARY SHARES IN RESPECT OF THE enX FORFEITABLE SHARE PLAN**

"It is resolved that, subject to the approval of the enX Forfeitable Share Plan as further set out in ordinary resolution number 6 and subject to the Companies Act and JSE Listings Requirements, the authorised but unissued shares of the company be and are hereby placed under the control of the directors of enX, with the authority to allot and issue any such shares in their discretion, subject to compliance with the Companies Act and the JSE Listings Requirements, at such times, to such person or persons pursuant to the rules of the enX Forfeitable Share Plan.

**Voting requirement**

Ordinary resolution number 7 requires for its approval the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy.

**SPECIAL RESOLUTION NUMBER 6: ALLOTMENT AND ISSUE OF SHARES TO DIRECTORS AND PRESCRIBED OFFICERS**

"Resolved that, to the extent required by section 41 of the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation and the Companies Act, each as presently constituted and as amended from time to time, authorise the company to allot and issue shares in the company to directors, future directors, prescribed officers and future prescribed officers of the company pursuant to the enX Forfeitable Share Plan, which forms the subject matter of ordinary resolution number 6."

**Voting requirement**

Special resolution number 6 requires for its approval the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy.

**Reason for special resolution number 4**

The Company would like to be able to allot and issue shares to directors and prescribed officers pursuant to the enX Forfeitable Share Plan.

**SPECIAL RESOLUTION NUMBER 7: FINANCIAL ASSISTANCE UNDER THE enX FORFEITABLE SHARE PLAN**

"Resolved that, to the extent required by sections 44 and 45 of the Companies Act, 71 of 2008 (the "**Companies Act**") and to the extent applicable, the board of directors of the company may, subject to compliance with the Company's Memorandum of Incorporation, the Companies Act and the Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide:

a) financial assistance, as contemplated in section 44 of the Companies Act to any person for the purpose of or in connection with the subscription of any options or any securities issued by the company or related or inter-related company;

b) financial assistance, as defined in section 45 of the Companies Act, to directors, future directors, prescribed officers and future prescribed officers of the company and any company within its group of companies,

identified by the remuneration and nominations committee of the board of directors of the company, as constituted from time to time, as participants, as defined in the enX Forfeitable Share Plan, which forms the subject matter of ordinary resolution number 6 for the issue of shares to any such person, director, future director, prescribed officer and future prescribed officer in accordance with the rules of the enX Forfeitable Share Plan.

At the time of providing the financial assistance, as contemplated and defined in the Companies Act, to participants, as defined under the enX Forfeitable Share Plan, the board of directors of the company shall satisfy itself that immediately after providing the financial assistance, as contemplated and defined in the Companies Act, the company would satisfy the solvency and liquidity test, as contemplated in the Companies Act, and that the terms under which the financial assistance, as contemplated and defined in the Companies Act, is given are fair and reasonable to the company.

Such authority to endure for two years after the adoption of this special number resolution 7."

**Voting requirement**

Special resolution number 8 requires for its approval, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy.

**Reason for special resolution number 7**

The Company, to the extent applicable, would like the ability to provide financial assistance to employees and/or directors as participants under the enX Forfeitable Share Plan.

**PART IV– GENERAL**

**SPECIAL RESOLUTION NUMBER 8: SHARE REPURCHASES**

"It is resolved that the company or any of its subsidiaries be and are hereby authorised by way of a general authority pursuant, *inter alia*, to sections 46 and 48 of the Companies Act, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the company or any subsidiary of the company to acquire shares of the company, subject to the JSE Listings Requirements on the following basis:

1. Repurchases of shares must be effected through the order book operated by the JSE trading system, and done without any prior understanding or arrangement between the company and the counterparty;
2. At any point in time, the company may only appoint one agent to effect repurchases on its behalf;
3. The company (or any subsidiary) must be authorised thereto by its memorandum of incorporation;
4. The number of shares which may be acquired pursuant to this authority in any financial year (which commenced on 1 September 2016) may not in the aggregate exceed 20% (twenty percent) (or 10% where such acquisitions are effected by a subsidiary) of the company's issued shares pursuant to the implementation of the consolidation and the Eqstra transaction (which includes the placement);
5. Repurchases of shares may not be made at a price more than 10% (ten percent) above the weighted average of the market value on the JSE of the shares in question for the 5 (five) business days immediately preceding the repurchase;
6. Repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) is in place and has been submitted to the JSE in writing prior to the commencement of the prohibited period;
7. After the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement containing full details of such repurchases;
8. The board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the company."

**Voting requirement**

Special resolution number 8 requires for its approval, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy.

In accordance with the JSE Listings Requirements, the directors record that:

Although there is no immediate intention to effect a repurchase of the company's shares, the directors would utilise the general authority to repurchase shares as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action. The directors undertake that, after considering the maximum number of securities which may be repurchased and the price at which the repurchases may take place pursuant to the buy-back general authority, for a period of 12 months after the date of notice of this general meeting:

- The company and the group will be able to pay their debts in the ordinary course of business;
- The consolidated assets of the company and of the group fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and of the group fairly valued in accordance with International Financial Reporting Standards; and

- The working capital, authorised shares and reserves of the company and of the group will be adequate for ordinary business purposes.

**Reason for and effect of special resolution number 8**

The reason for special resolution number 8 is to afford directors of the company or a subsidiary of the company general authority to effect a repurchase of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the JSE Listings Requirements, to effect repurchases of the company's shares on the JSE.

**ORDINARY RESOLUTION NUMBER 8: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH**

"Resolved that, subject to the restrictions set out below, the directors be and are hereby authorised pursuant, *inter alia*, to the provisions of the Companies Act and the JSE Listings Requirements, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company, provided that it shall not extend beyond 15 (fifteen) months, to allot and issue ordinary shares for cash on the following basis:

1. The allotment and issue of the shares must be made to persons qualifying as public shareholders and not to related parties as defined in the JSE Listings Requirements;
2. The shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
3. The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 26 805 622 shares, being 15% of the company's shares in issue pursuant to the implementation of the consolidation and the Eqstra transaction (which includes the placement). Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 26 805 622 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
4. In the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
5. The maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party/(ies) subscribing for the shares; and
6. After the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue is agreed in writing between the company and the party/ies subscribing for the shares and an explanation, including supporting documentation (if any), of the intended use of the funds."

**Voting requirement**

Ordinary resolution number 8 requires for its approval the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy.

**ORDINARY RESOLUTION NUMBER 9: GENERAL AUTHORITY**

"It is resolved that the board of the directors of the company (or any one or more directors designated for that purpose) and/or the company secretary be and are hereby authorised to take all such actions, sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the above ordinary and special resolutions."

**Voting requirement**

Ordinary resolution number 9 requires for its approval the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy.

**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, 16 September 2016.

**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 Tuesday, 20 September 2016, by submitting by e-mail to the company at sumari.viljoen@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 Tuesday, 20 September 2016. Alternatively forms of proxy may be returned to the chairman prior to the commencement of the general meeting. 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 shareholder 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 Tuesday, 20 September 2016. Alternatively forms of proxy may be handed to the chairman prior to the commencement of the general meeting.
3. 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.
4. 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 Tuesday, 20 September 2016. Alternatively forms of proxy may be handed to the chairman prior to the commencement of the general meeting.
5. 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.
6. 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.
7. On a show of hands, any person present and entitled to vote shall only have one vote, irrespective of the number of shares he/she holds or represents.
8. 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/she is the registered holder or representative.
9. A resolution put to the vote at the general meeting shall be decided by way of a poll.

24 August 2016

By order of the board.

**enX Group Limited**

# enX 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 Thursday, 22 September 2016 (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**: | Consolidation of shares | | | |
| **Special resolution number 2**: | Increase of the Company's authorised shares | | | |
| **Ordinary resolution number 1**: | Approval of the Eqstra transaction | | | |
| **Special resolution number 3**: | Authority to issue shares in terms of section 41(3) of the Companies Act in respect of the Eqstra transaction | | | |
| **Special resolution number 4**: | Provision of financial assistance to related and inter-related parties | | | |
| **Ordinary resolution number 2**: | Specific authority to issue shares for cash | | | |
| **Special resolution number 5**: | Authority to issue shares in terms of sections 41(1) and 41(3) of the Companies Act | | | |
| **Ordinary resolution number 3**: | Election of Jan Lodewyk Serfontein as a director | | | |
| **Ordinary resolution number 4**: | Election of Louis Von Zeuner as a director | | | |
| **Ordinary resolution number 5**: | Election of Stefanes Booysen as a director | | | |
| **Ordinary resolution number 6:** | Adoption of the enX Forfeitable Share Plan | | | |
| **Ordinary resolution number 7:** | Control over unissued ordinary shares in respect of the enX Forfeitable Share Plan | | | |
| **Special resolution number 6:** | Allotment and issue of shares to directors and prescribed officers | | | |
| **Special resolution number 7:** | Financial assistance under the enX Forfeitable Share Plan | | | |
| **Special resolution number 8:** | Share repurchases | | | |
| **Ordinary resolution number 8:** | General authority to issue shares for cash | | | |
| **Ordinary resolution number 9**: | 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 2016

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 shareholder 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 Tuesday, 20 September 2016. Alternatively forms of proxy may be handed to the chairman prior to the commencement of the general meeting.

**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, 16 September 2016 (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 aforegoing, 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. A resolution put to the vote at the general meeting shall be decided by way of a poll.
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 Tuesday, 20 September 2016. Alternatively forms of proxy may be handed to the chairman prior to the commencement of the general meeting. 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 aforegoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

**enX 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 SURRENDER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

The definitions commencing on page 6 of the circular to which this form of surrender is attached and forms part, have, where necessary, been used herein.

**Instructions:**

1. This form of surrender is for use by certificated shareholders only and should be read in conjunction with the circular.
2. A separate form of surrender is required for each certificated shareholder.
3. Part A must be completed by all shareholders who return this form of surrender.
4. Part B must be completed by shareholders who are emigrants from or non-residents of the Common Monetary Area.

**Please also read the notes on the reverse side hereof**

**To**: enX Group Limited

**Care of**: Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

Dear Sirs/Madams,

I/We, the undersigned, hereby surrender and attach the following documents of title in respect of my/our shares in enX.

Form of surrender

**PART A – Applicable to all certificated enX shareholders.**

**Share certificate/s and/or documents of title surrendered:**

| Name of registered holder (separate form for each holder) | Certificate number(s) (in numerical order) | Number of enX shares covered by each certificate | Total |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | Total | | |

I/We irrevocably and *in rem suam* authorise you to produce the signature of such documents that may be necessary to complete the replacement of the ordinary shares with shares reflecting the consolidation of the authorised and issued shares.

I/We hereby instruct you to forward the replacement share certificate to me/us, by registered post at my/our own risk, to the address below and confirm that, where no address is specified, the share certificate/s will be forwarded to my/our address recorded in the Company's share register.

My/Our signature/s on this form constitutes my/our execution of this instruction.

| | | | |
|---|---|---|---|
| Signature of shareholder: | | | |
| Assisted by (if applicable): | Name | Capacity | Signature |
| | | | |
| Date: | | | |
| Please complete the section below in BLOCK LETTERS: | | | |
| Surname of Name of Corporate Body: | | | |
| First names (in full), if applicable | | | |
| Title (Mr, Mrs, Miss, Dr, etc.) | | | |
| Postal address (preferably PO Box address) | | | |
| Postal code | | | |
| Telephone number (office hours) | Code | Number | |
| Cell phone number | | | |

**PART B**

To be completed by all emigrants from and non-residents of the Common Monetary Area. The replacement share certificate will be forwarded to the authorised dealer nominated below for its control. Accordingly, non-residents who are emigrants from the Common Monetary Area must provide the following information:

| Name of Authorised Dealer/Bank: | Stamp and address of agent lodging this form (if any) |
|---|---|
| Address: | |
| | |
| | |
| | |
| Account Number: | |

If no nomination is made, the replacement share certificate will be held in trust by the Transfer Secretaries.

**Notes:**

1. All shareholders completing and returning this form of surrender must also surrender all their existing documents of title.
2. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form of surrender.
3. Any alterations to this form of surrender must be signed in full and not initialled.
4. If this form of surrender is signed under power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form of surrender for noting (unless it has already been noted by the transfer secretaries).
5. Where the member is a company or a closed corporation, unless it has already been registered with the transfer secretaries, a certified copy of the director's or member's resolution authorising the signing of this form of surrender must be submitted if so requested by the transfer secretaries.
6. Note 5 does not apply in the event of this form of surrender bearing the stamp of a broking member of the JSE.
7. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of surrender.
8. A shareholder married in community of property or a minor must ensure this form of surrender is also signed by his/her spouse or parent or guardian, as the case may be.

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