

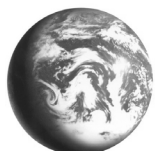
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretation commencing on page 4 of this Circular apply, *mutatis mutandis*, throughout this document, including this cover page.

Action required

Shareholders are referred to page 1 of this Circular, which sets out the action required of them with regard to the Proposed Amendments, full details of which are set out in this Circular. If you are in any doubt as to the action that you should take, please consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Barloworld Shares, this Circular should be forwarded to the purchaser to whom, or the CSDP, broker, banker or other agent through whom you disposed of such Shares.



Barloworld

Leading brands

Barloworld Limited

(Incorporated in the Republic of South Africa)

(Registration number 1918/000095/06)

Share code: BAW ISIN: ZAE000026639

Share code: BAWP ISIN: ZAE000026647

("Barloworld" or "the Company")

CIRCULAR TO BARLOWORLD ORDINARY AND PREFERENCE SHAREHOLDERS

relating to:

the proposed amendments to the 2008 B-BBEE Transaction by the Company and the strategic black partner and community service group participants in the 2008 B-BBEE Transaction, including the proposed issue of 450 000 Shares in the Company to such participants at R0.05 per Share;

and incorporating:

- a Notice of General Meeting of Barloworld Shareholders; and
- a Form of Proxy (yellow) (to be completed by Certificated Shareholders and Dematerialised Shareholders "own-name" Registration only).

Corporate Advisor and
Transaction Sponsor



Independent Reporting
Accountants and Auditors

Deloitte.

Attorneys

BG Bowman Gilfillan
AFRICA GROUP

Date of issue: 15 May 2015

This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of Barloworld, Corporate Advisor and Transaction Sponsor and the Transfer Secretaries whose addresses are set out in the "Corporate Information and Advisors" section of this Circular, as well as in electronic form from the Company's website (www.barloworld.com). These documents will be available from 15 May 2015 until 19 June 2015, both days inclusive.

CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office

Lerato Manaka
180 Katherine Street
Sandton, 2146
(PO Box 782248, Sandton, 2146)

Transfer secretaries (Namibia)

Transfer Secretaries Proprietary Limited
(Registration number 93/713)
Shop 8, Kaiser Krone Centre, Post Street Mall
Windhoek, Namibia
(PO Box 2401, Windhoek, Namibia)

Corporate Advisor and Transaction Sponsor

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank, 2196
(PO Box 61344, Marshalltown, 2107)

Independent Reporting Accountants and Auditors

Deloitte & Touche
Deloitte Place, The Woodlands
20 Woodlands Drive
Woodmead
Sandton
Johannesburg, 2025
(Private Bag X6, Gallo Manor, Sandton, 2052)

Date of incorporation

29 August 1918

Place of incorporation

South Africa

Transfer secretaries (South Africa)

Link Market Services South Africa
Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

United Kingdom Registrars

Equiniti Limited
Aspect House
Spencer Road, Lancing
West Sussex BN99 6DA
United Kingdom

Attorneys

Bowman Gilfillan Inc.
(Registration number 1998/021409/21)
165 West Street
Sandton, 2146
(PO Box 785812, Sandton, 2146)

ACTION REQUIRED BY BARLOWORLD SHAREHOLDERS

The definitions and interpretation commencing on page 4 of this Circular apply, *mutatis mutandis*, to this section.

The action you need to take is set out below. If you are in any doubt as to the action that you should take, please consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.

ACTION REQUIRED REGARDING THE GENERAL MEETING

A General Meeting of Barloworld Shareholders will be held in the Tokyo Meeting Room, Barloworld Corporate Office, 180 Katherine Street, Sandton at 12:00 on 19 June 2015, to consider and, if deemed fit, pass the resolutions required to give effect to the Proposed Amendments, as detailed in this Circular. A notice convening the General Meeting is attached to, and forms part of, this Circular. Please take careful note of the following provisions regarding the actions required by Certificated Shareholders and Dematerialised Shareholders regarding the General Meeting.

1. **IF YOU ARE A CERTIFICATED SHAREHOLDER OR A DEMATERIALISED SHAREHOLDER WITH “OWN-NAME” REGISTRATION:**
 - 1.1 You may attend the General Meeting in person and may vote at the General Meeting.
 - 1.2 Alternatively, if you are unable to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*yellow*) for the General Meeting in accordance with the instructions contained therein and returning it to any of the Transfer Secretaries (addresses in section on Corporate Information and Advisors) to be received by no later than 12:00 (South African local time) on 17 June 2015.

2. **IF YOU ARE A DEMATERIALISED SHAREHOLDER OTHER THAN WITH “OWN-NAME” REGISTRATION:**
 - 2.1 Your CSDP or broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP or broker to ascertain how you wish to cast your votes at the General Meeting and thereafter to cast your votes in accordance with your instructions. If you have not been contacted, it would be advisable for you to contact your CSDP or broker and furnish it with your voting instructions.
 - 2.2 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 agreement concluded between you and your CSDP or broker.
 - 2.3 You must **not** complete the attached Form of Proxy (*yellow*) for the General Meeting.
 - 2.4 If you wish to attend the General Meeting, you must advise your CSDP or broker in accordance with the agreement concluded between you and your CSDP or broker, and your CSDP or broker will issue the necessary letter of representation to enable you to attend the General Meeting.

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SALIENT DATES AND TIMES

The definitions and interpretation commencing on page 4 of this Circular apply, *mutatis mutandis*, to this section

2015

Record date to determine which Barloworld Shareholders are eligible to receive this Circular, including the Notice of General Meeting and Form of Proxy (<i>yellow</i>) on	Friday, 8 May
Circular, including Notice of General Meeting and Form of Proxy (<i>yellow</i>), posted to Barloworld Shareholders on or about	Friday, 15 May
Last day to lodge Forms of Proxy (<i>yellow</i>) for the General Meeting by 12:00 on	Wednesday, 17 June
General meeting to be held in the Tokyo Meeting Room, Barloworld Corporate Office, 180 Katherine Street, Sandton at 12:00 on	Friday, 19 June
Results of the General Meeting released on SENS	Friday, 19 June
Results of the General Meeting to be published in the South African press on	Monday, 22 June

Notes:

1. All times shown in this Circular are South African local times.
2. These dates and times are subject to change. Any changes will be released on SENS and published in the South African press.

DEFINITIONS AND INTERPRETATION

In this Circular and the annexures hereto, unless otherwise stated or the context clearly indicates a contrary intention, the following words and expressions shall bear the meaning assigned to them hereunder. Words in the singular shall include the plural and *vice versa*, words signifying any one gender shall include the other genders and references to natural persons shall include juristic persons and associations of persons:

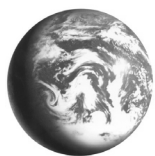
“2008 B-BBEE Transaction”	the B-BBEE transaction implemented by Barloworld in September 2008;
“2008 B-BBEE Transaction Agreements”	the transaction documents relating to the 2008 B-BBEE Transaction, including the Initial Subscription Agreements, Maturity Date Subscription Agreements, Relationship Agreements, Pledge and Cession Agreements, Reversionary Cession Agreements and Reversionary Pledge and Cession Agreements, collectively;
“30-day VWAP”	30-day volume weighted average price of a Barloworld Share on the JSE, being the total value of the Barloworld Shares traded for 30 days divided by the total number of Barloworld Shares traded for that period;
“Act” or “Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time, including the Companies Regulations 2011;
“Additional Share Allocation”	the issue of the Additional Shares to the Shareholder SPVs of the B-BBEE Participants or, in the case of Gandaganda and Moty, to Gandaganda and Moty themselves or, in the case of Izingwe, to Izingwe Capital, by the Company pursuant to the Proposed Amendments, more fully set out in paragraph 4 of this Circular;
“Additional Shares”	450 000 new Barloworld Shares to be issued to the Shareholder SPVs of the B-BBEE Participants or, in the case of Gandaganda and Moty, to Gandaganda and Moty themselves or, in the case of Izingwe, to Izingwe Capital, by the Company at the par value of R0.05 per Barloworld Share pursuant to the Additional Share Allocation;
“Additional Share Subscription Agreements”	the subscription agreements entered into in May 2015 between, amongst others, the Company and the B-BBEE Participants in respect of the Additional Share Allocation;
“Associate”	has the meaning ascribed thereto in the Listings Requirements;
“Ayavuna”	Ayavuna Women’s Investment Proprietary Limited, registration number 2006/019047/07, a private company with limited liability duly incorporated under the laws of South Africa. Please refer to Annexure 1 for further detail;
“Barloworld” or “Company”	Barloworld Limited, registration number 1918/000095/06, a public company with limited liability duly incorporated under the laws of South Africa and listed on the main board of the JSE;
“Barloworld Loan/s”	the seven-year fixed interest rate bullet loans in the aggregate amount of R1 207 million advanced by the Funding SPVs of the B-BBEE Participants to the Company pursuant to the 2008 B-BBEE Transaction;
“Barloworld Shares” or “Shares”	ordinary shares of R0.05 each, in the Company;
“Barloworld Shareholders” or “Shareholders”	registered holders of Barloworld Shares;
“B-BBEE”	Broad-Based Black Economic Empowerment;
“B-BBEE Participants”	CSGs and SBPs, collectively;

“B-BBEE Resolutions”	ordinary resolutions numbers 1 to 3 included in the Notice of General Meeting for the purposes of obtaining the approval of Barloworld Shareholders necessary to implement all of the Proposed Amendments;
“Board” or “Directors”	the board of directors of Barloworld, whose names appear on page 9 of this Circular;
“Broker”	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day, other than a Saturday, Sunday or official public holiday in South Africa;
“cent”	cent, the official currency of South Africa, being one one-hundredth of a Rand;
“Certificated Shareholders”	Barloworld Shareholders who hold Certificated Shares;
“Certificated Shares”	Barloworld Shares held in the form of certificates or other Documents of Title and which have not been Dematerialised in terms of Strate;
“Circular”	this bound document, dated 15 May 2015, including its annexures and incorporating the Notice of General Meeting and Form of Proxy (<i>yellow</i>);
“Compulsory Subscription Price”	has the meaning ascribed thereto in paragraph 2.4.4.2 below;
“CSDP”	a Central Securities Depository Participant defined as a “participant” in section 1 of the Financial Markets Act, and appointed by individual Shareholders for purposes of, and in regard to, Dematerialisation of Documents of Title for the purpose of incorporation into Strate;
“CSGs”	the community service groups, being organisations established for the benefit of various South African communities, and comprising DEC, Ikamva and Shalamuka, further details of which are set out in Annexure 1 of this Circular;
“DEC”	DEC Investment Holding Company Proprietary Limited, registration number 1997/010461/07, a private company with limited liability duly incorporated under the laws of South Africa, and wholly owned by the DEC Trust;
“DEC Trust”	the Disability Empowerment Concerns Trust, a trust duly established under the laws of South Africa, with Master’s reference number IT3700/97. Please refer to Annexure 1 for further detail;
“Dematerialisation”	the process whereby paper share certificates or other Documents of Title are replaced with electronic records of ownership of shares or securities as contemplated in section 49(5) of the Companies Act under the Strate system with a CSDP or broker;
“Dematerialised Shareholders”	Barloworld Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Barloworld Shares which have been Dematerialised in terms of the requirements of Strate and the ownership of which is no longer evidenced by physical Documents of Title but by electronic records;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts, or any other documents of title to certificated shares, acceptable to Barloworld;
“DTI Codes”	Department of Trade and Industry’s Codes of Good Practice on B-BBEE, as gazetted in Government Gazette No. 29617;
“End Date”	in relation to an SBP or a CSG (including its Shareholder SPV and Funding SPV), is the later of 31 December 2017 and the Final Date for that SBP or CSG (including its Shareholder SPV and Funding SPV);

“Final Date”	in relation to an SBP or a CSG (including its Shareholder SPV and Funding SPV), is the date that is the earliest of: <ul style="list-style-type: none"> (i) the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans, being 22 September 2015; (ii) the first Business Day after the occurrence of an early repayment event under its SPV Loans; (iii) the twentieth Business Day after settlement by its Funding SPV of all of its obligations in favour of the lenders under its SPV Loans; and (iv) such other date as may be agreed in writing as contemplated in the relevant Initial Subscription Agreement;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended or replaced from time to time;
“Form of Proxy”	the form of proxy (<i>yellow</i>) attached to, and forming part of, this Circular;
“Funding SPVs”	the ring-fenced special purpose vehicles incorporated by the B-BBEE Participants, pursuant to the 2008 B-BBEE Transaction, to acquire Barloworld Shares;
“Gandaganda”	the Gandaganda Empowerment Trust, a trust duly established under the laws of South Africa, with Master’s reference number IT663/08. Please refer to Annexure 1 for further detail;
“General Meeting”	the general meeting of Barloworld Shareholders to be held at the Tokyo Meeting Room, Barloworld Corporate Office, 180 Katherine Street, Sandton at 12:00 on 19 June 2015;
“Group”	Barloworld and its subsidiaries (as such term is defined in the Companies Act);
“Ikamva”	Ikamva Labantu Empowerment Trust, a trust duly established under the laws of South Africa, with Master’s reference number IT4485/2004. Please refer to Annexure 1 for further detail;
“Independent Reporting Accountants and Auditors” or “Deloitte”	Deloitte & Touche;
“Initial Lock-in Period”	the period from the date of subscription by the B-BBEE Participants for the Initial Subscription Shares until 31 December 2014;
“Initial Subscription Agreements”	the subscription agreements entered into between, amongst others, the Company and the Funding SPVs of the B-BBEE Participants pursuant to the 2008 B-BBEE Transaction in terms of which the Funding SPVs acquired the Initial Subscription Shares;
“Initial Subscription Shares”	collectively, 2 153 676 Barloworld Shares subscribed for by the Funding SPVs of the CSGs and 12 331 337 Barloworld Shares subscribed for by the Funding SPVs of the SBPs, at their par value of R0.05 each, pursuant to the 2008 B-BBEE Transaction;
“Izingwe”	Izingwe BAW Holdings Proprietary Limited, registration number 2007/033682/07, a private company with limited liability duly incorporated under the laws of South Africa. Please refer to Annexure 1 for further detail;
“Izingwe Capital”	Izingwe Capital Proprietary Limited registration number 2003/028048/07, a private company with limited liability duly incorporated under the laws of South Africa, an entity in the broader Izingwe group of companies. Please refer to Annexure 1 for further detail;
“JSE”	JSE Limited, registration number 2005/022939/06, a public company with limited liability duly incorporated under the laws of South Africa and licensed as an exchange under the Financial Markets Act;

“Last Practicable Date”	30 April 2015, being the last practicable date prior to finalisation of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time by the JSE;
“Maturity Date Subscription Agreements”	the subscription agreements entered into between, amongst others, the Company and the Funding SPVs of the B-BBEE Participants pursuant to the 2008 B-BBEE Transaction, in terms of which each Funding SPV will subscribe for the Maturity Date Subscription Shares applicable to it after the applicable Final Date;
“Maturity Date Subscription Shares”	the number of Barloworld Shares that each Funding SPV of a B-BBEE Participant will, after the Final Date applicable to it, be obliged to subscribe for, which number shall be equal to the number of Initial Subscription Shares which it initially subscribed for pursuant to the 2008 B-BBEE Transaction;
“Moty”	The Moty Capital Partners Consortium Proprietary Limited, registration number 2007/026465/07, a private company with limited liability duly incorporated under the laws of South Africa. Please refer to Annexure 1 for further detail;
“Notice of General Meeting”	the notice convening the General Meeting, attached to, and forming part of, this Circular;
“Own-name” Registration	the registration of Barloworld Shareholders who hold Dematerialised Shares and are recorded by their CSDP on the sub-register maintained by that CSDP in the name of such Barloworld Shareholder;
“Pledge and Cession Agreements”	the agreements entered into between, amongst others, the Company and the Shareholder SPVs of the B-BBEE Participants, or, in the case of Gandaganda, Izingwe and Moty, those persons themselves, pursuant to the 2008 B-BBEE Transaction, for the pledge by the Shareholder SPVs or Gandaganda, Izingwe and Moty to Barloworld of their shares in, and claims against, their respective Funding SPVs;
“Proposed Amendments”	the proposed amendments to the 2008 B-BBEE Transaction, including the Additional Share Allocation, as more fully set out in paragraph 4 of this Circular;
“R” or “Rand”	Rand, the official currency of South Africa;
“Register”	the register of Certificated Shareholders maintained by Barloworld and the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs;
“Relationship Agreements”	the agreements entered into between, amongst others, the Company, the B-BBEE Participants and their respective Funding SPVs setting out the terms applicable to the relationship between them as direct and indirect shareholders in Barloworld;
“Reversionary Cession Agreements”	the agreements entered into between the Company and the Funding SPVs of the B-BBEE Participants, pursuant to the 2008 B-BBEE Transaction, in terms of which each of the Funding SPVs ceded <i>in securitatem debiti</i> to Barloworld its reversionary rights and interest in and to certain collection accounts as security for the performance of its obligations under the relevant Initial Subscription Agreement and the relevant Maturity Date Subscription Agreement;

“Reversionary Pledge and Cession Agreements”	the agreements entered into between, the Company and the Funding SPVs of the B-BBEE Participants, pursuant to the 2008 B-BBEE Transaction, in terms of which each of the Funding SPVs pledged to Barloworld its reversionary rights and interest in and to the Barloworld Shares held by it as security for the performance of its obligations under the relevant Initial Subscription Agreement and the relevant Maturity Date Subscription Agreement;
“Revised DTI Codes”	Department of Trade and Industry’s Codes of Good Practice on B-BBEE, as gazetted in Government Gazette No. 36928;
“SBPs”	the strategic black partners, comprising Ayavuna, Gandaganda, Izingwe, Moty, the Y J Family Trusts and Zwavhudi, further details of which are set out in Annexure 1 of this Circular;
“SENS”	the Stock Exchange News Service of the JSE;
“Shalamuka”	the Shalamuka Foundation, a trust duly established under the laws of South Africa, with Master’s reference number IT8901/2006. Please refer to Annexure 1 for further detail;
“Shareholder SPVs”	ring-fenced special purpose vehicles incorporated pursuant to the 2008 B-BBEE Transaction by the B-BBEE Participants for purposes of holding all the ordinary shares in their respective Funding SPVs, except that for the purposes of the Additional Share Allocation, Izingwe’s Shareholder SPV is Izingwe Capital;
“South Africa”	the Republic of South Africa;
“SPV Loans”	the aggregate amount of R1 171 million raised by the Funding SPVs of the B-BBEE Participants in terms of loan agreements entered into by them and comprising of seven year senior amortising loans of R853 million in aggregate and seven year subordinated loans of R318 million in aggregate;
“Strate”	Strate Limited, registration number 1998/022242/06, a private company with limited liability duly incorporated under the laws of South Africa, which is a licensed central securities depository in terms of the Financial Markets Act and which operates the electronic clearing and settlement system used by the JSE;
“Subscription Date”	has the meaning ascribed thereto in paragraph 3.3.4 below;
“Subscription Price”	has the meaning ascribed thereto in paragraph 2.4.4.2 below;
“Transfer Secretaries”	Link Market Services South Africa Proprietary Limited, registration number 2000/007239/07, a private company with limited liability duly incorporated under the laws of South Africa, the transfer secretaries of Barloworld in South Africa, Equiniti Limited, the transfer secretaries of Barloworld in the UK, and Transfer Secretaries (Proprietary) Limited, the transfer secretaries of Barloworld Namibia;
“VAT”	Value added tax as defined in the Income Tax Act, No. 58 of 1962;
“Y J Family Trusts”	collectively, the Y Akoo Family Trust and the Jubada Akoo Family Trust, each being a trust duly established under the laws of South Africa, with Master’s reference numbers IT276/2008PMB and IT277/2008PMB, respectively. Please refer to Annexure 1 for further detail; and
“Zwavhudi”	Zwavhudi Investments Holdings Proprietary Limited, registration number 2007/010633/07, a private company with limited liability duly incorporated under the laws of South Africa. Please refer to Annexure 1 for further detail.



Barloworld

Leading brands

Barloworld Limited

(Incorporated in the Republic of South Africa)

(Registration number 1918/000095/06)

Share code: BAW ISIN: ZAE000026639

Share code: BAWP ISIN: ZAE000026647

("Barloworld" or "the Company")

Directors

Executive

CB Thomson (*Chief Executive*)

DG Wilson (*Finance Director*)

PJ Blackbeard

PJ Bulterman

DM Sewela

Non-executive

Independent

DB Ntsebeza (*Chairman*)

NP Dongwana

FNO Edozien

AGK Hamilton

A Landia

SS Mkhabela

B Ngonyama

SS Ntsaluba

SB Pfeiffer

Non-independent

OI Shongwe

CIRCULAR TO BARLOWORLD ORDINARY AND PREFERENCE SHAREHOLDERS

1. INTRODUCTION AND PURPOSE

- 1.1 An announcement was released on SENS on Tuesday, 12 May 2015 informing Barloworld Shareholders that the Company had entered into agreements with the B-BBEE Participants in respect of the Proposed Amendments to be made to the 2008 B-BBEE Transaction.
- 1.2 The Proposed Amendments deal with two components of the 2008 B-BBEE Transaction, namely the community service group component and the strategic black partner component (both components are explained in paragraph 3.2 below). At this stage, Barloworld is not proposing any amendments to the other components of the 2008 B-BBEE Transaction.
- 1.3 The Proposed Amendments are subject to the fulfilment of the suspensive condition that, by 30 June 2015, they are approved by Barloworld Shareholders. The B-BBEE Resolutions set out in the Notice of General Meeting are included for the purpose of obtaining that approval. It is possible, depending on which of the B-BBEE Resolutions are passed, that some but not all of the Proposed Amendments will be approved and implemented. This is explained more fully in paragraph 4 below.
- 1.4 Barloworld has been advised by the JSE that, in order for the Proposed Amendments to be effective, the B-BBEE Resolutions must be supported by 75% or more of the voting rights exercised on the resolutions by Barloworld Shareholders present or represented by proxy at the General Meeting and entitled to exercise voting rights on the resolutions. The Funding SPVs and their Associates will not be entitled to cast any votes in relation to the B-BBEE Resolutions, in accordance with the

Listings Requirements. The Shareholder SPVs and their Associates will not be entitled to cast any votes in relation to the resolution for the Additional Share Allocation (i.e. resolution number 3), in accordance with the Listings Requirements.

- 1.5 The purpose of this Circular, and the accompanying Notice of General Meeting, is to provide Barloworld Shareholders with sufficient information and explanatory material regarding the Proposed Amendments to enable those Shareholders who are entitled to vote on the B-BBEE Resolutions to determine whether or not to participate in the General Meeting and to seek to influence the outcome of the vote on the B-BBEE Resolutions.

2. EXECUTIVE SUMMARY

- 2.1 This executive summary broadly sets out the terms of the 2008 B-BBEE Transaction, the rationale for the Proposed Amendments and the terms of the Proposed Amendments. This executive summary is not intended to be exhaustive and Barloworld Shareholders should read this Circular in its entirety, together with the B-BBEE Resolutions referred to herein, for a full understanding of what is being proposed.
- 2.2 In September 2008, Barloworld implemented the 2008 B-BBEE Transaction in terms of which participants subscribed for ordinary shares in Barloworld, representing in aggregate 9.56% of Barloworld's increased issued ordinary shares after the implementation of the 2008 B-BBEE Transaction.
- 2.3 The 2008 B-BBEE Transaction comprised four components, namely an employee component (including black non-executive directors), which acquired an aggregate 2.71% of Barloworld's ordinary shares, an educational trust component, which acquired an aggregate 0.47% of Barloworld's ordinary shares, a community service group component (CSGs), which acquired an aggregate 0.95% of Barloworld's ordinary shares and a strategic black partner component (SBPs), which acquired an aggregate 5.44% of Barloworld's ordinary shares.
- 2.4 The relevant salient terms of the 2008 B-BBEE Transaction, insofar as they relate to the CSGs and SBPs (the B-BBEE Participants), are set out below:
 - 2.4.1 The B-BBEE Participants subscribed for 14 485 013 Barloworld Shares (representing 6.40% of Barloworld's issued ordinary shares after the implementation of the 2008 B-BBEE Transaction) at their par value of R0.05 per ordinary share.
 - 2.4.2 Prior to 31 December 2017, the B-BBEE Participants are not entitled to encumber the shares in the respective structures through which they hold Barloworld Shares.
 - 2.4.3 Prior to 31 December 2014, the B-BBEE Participants were not entitled to sell the shares in the respective structures through which they hold Barloworld Shares. Between 31 December 2014 and 31 December 2017, the B-BBEE Participants will, subject to certain restrictions, be entitled to sell the shares in the respective structures through which they hold Barloworld Shares. One of these restrictions is that any disposal may not result in a loss by Barloworld of its B-BBEE credentials.
 - 2.4.4 Should the 2008 B-BBEE Transaction progress in the ordinary course (i.e. in the absence of any breach of the 2008 B-BBEE Transaction Agreements by a B-BBEE Participant, for instance), then after the twentieth Business Day after the seventh anniversary of the date on which a B-BBEE Participant makes its first drawdown under the Barloworld Loans (the seventh anniversary being 22 September 2015):
 - 2.4.4.1 Barloworld has the right to repurchase all of the shares subscribed for by such B-BBEE Participant, as contemplated in paragraph 2.4.1, at their par value of R0.05 per ordinary share; and
 - 2.4.4.2 such B-BBEE Participant will be obliged to subscribe for such number of Barloworld Shares as is equal to the number of shares subscribed for in terms of paragraph 2.4.1 at the subscription price, which was determined in accordance with a formula, being equal to R179.69 per ordinary share ("**Subscription Price**"), if the subscription were to occur on 22 September 2015. If the subscription occurs after 22 September 2015 (which is expected to happen), the Subscription Price will escalate at a rate of 10.98% per annum ("**Predetermined Factor**"). The Subscription Price as escalated by the Predetermined Factor is hereinafter referred to as the "**Compulsory Subscription Price**".

- 2.4.5 However, if the 2008 B-BBEE Transaction progresses in the ordinary course and a B-BBEE Participant is not able to pay the total Subscription Price for the Barloworld Shares which it is obliged to subscribe for, as contemplated in paragraph 2.4.4.2, on the date that it is obliged to do so, then, provided it is not in breach of its obligations under certain of the 2008 B-BBEE Transaction Agreements, the B-BBEE Participant will be obliged to subscribe and pay for that number of Barloworld Shares as is equal to the cash available to the B-BBEE Participant on the date that it is obliged to subscribe for the shares divided by the Compulsory Subscription Price. The B-BBEE Participant will then be afforded a period ending on 31 August 2016 to subscribe and pay for, at the Compulsory Subscription Price escalated at the prime interest rate plus 2%, the balance of the shares. If, by 31 August 2016, all of the shares that the B-BBEE Participant is obliged to subscribe for have not been subscribed and paid for, then Barloworld will be entitled to claim from the B-BBEE Participant specific performance, without prejudice to any other rights which Barloworld may have in that regard.
- 2.5 At the time of implementation of the 2008 B-BBEE Transaction, the Board believed that the transaction would embrace the spirit of empowerment, while achieving the requirements of the DTI Codes and the goals of Barloworld's overarching B-BBEE strategy.
- 2.6 However, the 2008 B-BBEE Transaction was implemented prior to the impact of the global financial crisis on South Africa which resulted in a decline in the Barloworld share price, and lower than expected dividends accrued to Barloworld Shareholders during the term of the 2008 B-BBEE Transaction. Due to these factors, the current position is that it is highly unlikely that the B-BBEE Participants will be able to finance the subscription of all of the Barloworld Shares which they are obliged to subscribe for either on the date on which they are obliged to subscribe for such shares or by 31 August 2016. The Board believes that if Barloworld were to enforce its rights to claim specific performance from the B-BBEE Participants, any value for the B-BBEE Participants would be lost, including their initial equity contribution.
- 2.7 The Board has considered various alternatives to conclude the 2008 B-BBEE Transaction in a fair and equitable manner for the SBPs, the CSGs, Barloworld and Barloworld Shareholders. The relevant salient terms of the Proposed Amendments (all of which depend on the 2008 B-BBEE Transaction progressing in the ordinary course) are set out below.
- 2.7.1 On the date on which the B-BBEE Participants are required to subscribe for the Maturity Date Subscription Shares, they will be obliged to subscribe, at the Subscription Price (which will be R179.69 per share), for only so many shares which their respective funding special purpose vehicles can afford from available cash resources. Thereafter, their rights and obligations to subscribe for further shares in Barloworld, which rights and obligations, but for the amendment, would have subsisted for another year whether or not the funding special purpose vehicles of the B-BBEE Participants could fund the subscription, will terminate.
- 2.7.2 After the B-BBEE Participants have subscribed for the shares referred to above, all restrictions imposed upon them relating to those shares will terminate. The effect is that these restrictions, which would have ordinarily subsisted until 31 December 2017, will terminate approximately two years earlier. The restrictions on disposals of shares referred to in paragraph 2.4.3 above will be extended from 31 December 2014 until the date on which all of the aforementioned restrictions imposed on the B-BBEE Participants terminate.
- 2.7.3 To further the objective of increasing black ownership in Barloworld, the Company proposes to issue the Additional Shares to the B-BBEE Participants or their Shareholder SPVs *pro rata* to the B-BBEE Participants' respective shareholding in Barloworld, for a subscription price equal to the par value of R0.05 per Barloworld Share, which Additional Shares will be subject to a lock-in period of 12 months from the date of issue, as further detailed in paragraph 4 below. For the purposes of the Additional Share Allocation, the Izingwe Shareholder SPV is Izingwe Capital.
- 2.8 If all of the Proposed Amendments are approved by Shareholders, based on the estimated cash available to the Funding SPVs of the B-BBEE Participants and the Barloworld share price as at the Last Practicable Date, the result for the B-BBEE Participants, would be as follows:
- 2.8.1 The estimated cash available to the Funding SPVs of the B-BBEE Participants as at the Last Practicable Date is R269.88 million. This amount includes accrued interest on the SPV Loans and interest receivable on the Barloworld Loans. The estimated cash is based on the difference between the Barloworld Loans and the SPV Loans and will therefore only materialise into cash on the maturity date of 22 September 2015. It must be noted that the cash available to the Funding SPVs will change prior to the maturity date of 22 September 2015 as a result of future dividends to be received (interim dividend for financial year 2015), interest and capital repayments on SPV Loans and interest on Barloworld Loans. For illustrative purposes, if the Proposed Amendments are implemented and the B-BBEE Participants were able to use the R269.88 million to subscribe for ordinary shares

in Barloworld at the Subscription Price, they would be entitled to subscribe for 1 501 901 ordinary shares, being 0.66% of Barloworld's current issued ordinary shares excluding treasury shares, which they would hold free of restrictions. If the B-BBEE Participants choose to sell these shares, Barloworld will still claim B-BBEE ownership points under the "continued recognition" key measurement principle in terms of the Revised DTI Codes for this estimated 0.66% shareholding for a period equal to the duration of the 2008 B-BBEE Transaction (i.e. seven years).

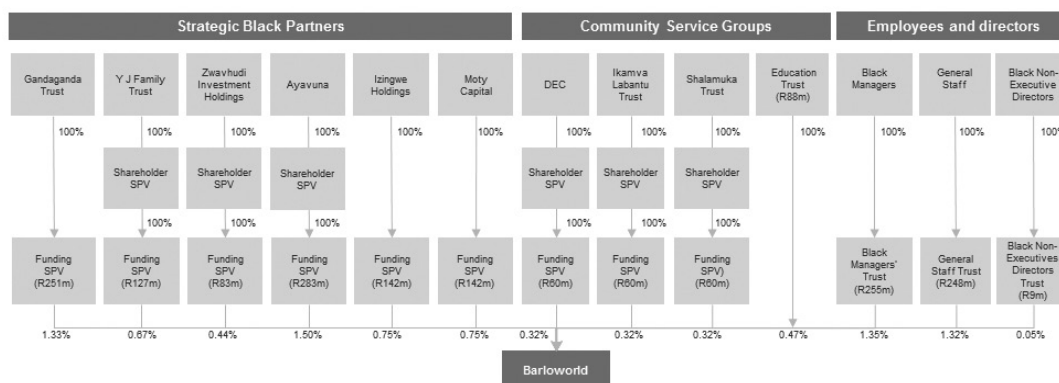
- 2.8.2 The B-BBEE Participants or their Shareholder SPVs would also be entitled to subscribe for the B-BBEE Participants' *pro rata* share of the 450 000 Additional Shares at the par value of R0.05 per share, representing 0.20% of Barloworld's current issued ordinary shares excluding treasury shares, which will be subject to a lock-in period of 12 months. Barloworld will claim B-BBEE ownership points in respect of the Additional Shares for so long as the B-BBEE Participants or their Shareholder SPVs hold these shares, and B-BBEE ownership points under the "continued recognition" key measurement principle in terms of the Revised DTI Codes for the same period thereafter.
- 2.8.3 The amendment contemplated in paragraph 2.7.1 will result in an International Financial Reporting Standards 2 charge of approximately R155.31 million (described more fully in paragraph 4.4 below).
- 2.8.4 The issue of the Additional Shares contemplated in paragraph 2.7.3 will result in an International Financial Reporting Standards 2 charge of approximately R42.8 million (described more fully in paragraph 4.4 below).
- 2.9 Barloworld intends to repurchase on the open market such number of Barloworld Shares as is equal to the Barloworld Shares subscribed for by the B-BBEE Participants pursuant to the amendments contemplated in paragraphs 2.7.1 and 2.7.3 in order to minimise the dilution to Barloworld Shareholders. The Subscription Price to be paid by the Funding SPVs and Shareholder SPVs of the B-BBEE Participants will be sufficient to fund the cost of such repurchase.
- 2.10 The Board has considered the terms and conditions of the Proposed Amendments and is of the unanimous opinion that they provide the most equitable solution for the SBPs, the CSGs, Barloworld and Barloworld Shareholders, taking into account the equity risk taken by the SBPs and CSGs, the share price of Barloworld, and the objective of increasing black ownership in Barloworld.

3. THE 2008 B-BBEE TRANSACTION

3.1 Introduction

- 3.1.1 In terms of the 2008 B-BBEE Transaction, participants subscribed for ordinary shares in Barloworld, representing in aggregate 9.56% of Barloworld's increased issued ordinary shares after the implementation of the 2008 B-BBEE Transaction. This resulted in an effective B-BBEE shareholding of approximately 29% as measured under the DTI Codes.
- 3.1.2 The 2008 B-BBEE Transaction comprised four components, namely an employee component (including black non-executive directors), which acquired an aggregate 2.71% of Barloworld's ordinary shares, an educational trust component, which acquired an aggregate 0.47% of Barloworld's ordinary shares, a community service group component, which acquired an aggregate 0.95% of Barloworld's ordinary shares and a strategic black partner component, which acquired an aggregate 5.44% of Barloworld's ordinary shares.
- 3.1.3 The employee component includes black South African managers, black non-executive directors and black and white (but primarily black) non-managerial South African employees. The educational trust component comprises a trust established for the educational and developmental needs of primarily black persons. The community service group component includes organisations which have been established for the benefit of various South African communities and the strategic black partner component includes strategic black partners.

3.1.4 The diagram below illustrates the structure subsequent to the implementation of the 2008 B-BBEE Transaction:



3.1.5 Background information on the CSGs and the SBPs is set out in **Annexure 1** of this Circular.

3.2 Key terms of the SBP and CSG components of the 2008 B-BBEE Transaction

3.2.1 The SBP Component

3.2.1.1 Mechanism

The SBPs, through their respective Funding SPVs, subscribed for a total of 12 331 337 Barloworld Shares at their par value of R0.05 each.

All of the ordinary shares in each Funding SPV of an SBP are held by a Shareholder SPV, save that Moty, Izingwe and Gandaganda hold all of the ordinary shares in their respective Funding SPVs directly. Each of Ayavuna, the Y J Family Trusts and Zwavhudi has a Shareholder SPV. Gandaganda, Moty and Izingwe were created specifically for the 2008 B-BBEE Transaction as ring-fenced entities and, accordingly, those entities constitute Shareholder SPVs.

The sole purpose of the Shareholder SPV of an SBP is to acquire and hold shares in the Funding SPV of the SBP and the sole purpose of the Funding SPV of an SBP is to acquire and hold shares in Barloworld and also to receive loans and to make the Barloworld Loans.

3.2.1.2 B-BBEE obligations

Each SBP undertook to Barloworld, among other things, that, until the End Date applicable to it, at least 65% of its shares would be, directly or indirectly, held by black people (as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)) and, in the case of Gandaganda and each of the Y J Family Trusts, that it would comply with the trust requirements of the DTI Codes.

3.2.1.3 Restrictions on sale and encumbrance

Prior to the Initial Lock-in Period, save with the prior written consent of Barloworld, the SBPs are not entitled to encumber or sell the shares they hold in their respective Shareholder SPVs, the Shareholder SPVs are not entitled to encumber or sell the shares they hold in their respective Funding SPVs, and the Funding SPVs are not entitled to encumber or sell their respective Barloworld Shares.

After the expiry of the Initial Lock-in Period, but until the End Date applicable to it, save with the prior written consent of Barloworld and, subject to any funding obligations, the prior written consent of the relevant funders, each SBP, its Shareholder SPV and its Funding SPV are not entitled to encumber its shares in its Shareholder SPV, its Funding SPV and Barloworld, respectively, but will, subject to restrictions imposed by the funders and a pre-emptive right in Barloworld's favour, be entitled to sell the shares held in the Shareholder SPV, Funding SPV and Barloworld, respectively; provided that, if Barloworld does not exercise its pre-emptive right, the shares must be sold to a third party that makes at least an equivalent contribution to the empowerment credentials of Barloworld.

3.2.1.4 *Barloworld's call option*

Barloworld has a call option to acquire all of the shares in and claims against each Funding SPV of an SBP upon the happening of various option events, such as the occurrence of an insolvency event in relation to an SBP or its Shareholder SPV or Funding SPV or a breach by an SBP or its Shareholder SPV or Funding SPV of any material provisions of the relevant Relationship Agreement, including a breach of the B-BBEE obligations referred to in paragraph 3.2.1.2.

Each Shareholder SPV of the SBPs has pledged its shares in its Funding SPV to Barloworld as security for the performance of its obligations to Barloworld under the call option.

3.2.1.5 *Equity contribution*

Each SBP procured that an equity contribution was made to its Funding SPV as follows:

Gandaganda	–	R8.0 million;
Y J Family Trusts	–	R4.0 million;
Zwavhudi	–	R4.4 million;
Ayavuna	–	R15.0 million;
Izingwe	–	R4.5 million; and
Moty	–	R4.5 million.

Each of the Funding SPVs used its equity contribution and the proceeds of its SPV Loan to pay the subscription price for its Initial Subscription Shares and the balance was used to advance its Barloworld Loan.

3.2.1.6 *Subscription mechanics*

Each Funding SPV of an SBP subscribed for its Initial Subscription Shares at the par value of R0.05 per Barloworld Share. The Initial Subscription Shares have full voting and economic rights.

Barloworld has a right in certain circumstances, but in any event after the Final Date for each SBP, subject to the rights of the funders, to repurchase all of the Initial Subscription Shares from each Funding SPV of an SBP at their par value of R0.05 per Barloworld Share.

Each Funding SPV of an SBP will, after the Final Date applicable to it, be obliged to subscribe for such number of Barloworld Shares as is equal to the number of its Initial Subscription Shares at the Compulsory Subscription Price per Barloworld Share.

3.2.2 *The CSG component*

3.2.2.1 *Mechanism*

The CSGs, through Funding SPVs, subscribed for a total of 2 153 676 Barloworld Shares at their par value of R0.05 each.

All of the ordinary shares in each Funding SPV of a CSG are held by a Shareholder SPV.

The sole purpose of the Shareholder SPV of a CSG is to acquire and hold shares in the Funding SPV of the CSG and the sole purpose of the Funding SPV of a CSG is to acquire and hold shares in Barloworld and also to receive loans and make the Barloworld Loans.

3.2.2.2 *B-BBEE obligations*

Each CSG undertook to Barloworld, among other things, that until the End Date applicable to it:

- where the CSG is a company, at least 65% of its shares will be directly or indirectly held by black people (as defined in the B-BBEE Act);

- where the CSG is a broad-based ownership scheme, the CSG will comply with the broad-based ownership scheme requirements of the DTI Codes;
- where the CSG is an employee share ownership scheme, the CSG will comply with the employee share ownership scheme requirements of the DTI Codes; and
- where the CSG is a trust which is not a broad-based ownership scheme or an employee share ownership scheme, the CSG will comply with the trust requirements of the DTI Codes.

3.2.2.3 *Restrictions on sale and encumbrance*

Prior to expiry of the Initial Lock-in Period, save with the prior written consent of Barloworld, the CSGs are not entitled to encumber or sell the shares they hold in their respective Shareholder SPVs, the Shareholder SPVs are not entitled to encumber or sell the shares they hold in their respective Funding SPVs, and the Funding SPVs are not entitled to encumber or sell their respective Barloworld Shares.

After the expiry of the Initial Lock-in Period, but until the End Date applicable to it, save with the prior written consent of Barloworld and, subject to any funding obligations, the prior written consent of the relevant funders, each CSG, its Shareholder SPV and its Funding SPV are not entitled to encumber its shares in its Shareholder SPV, its Funding SPV and Barloworld, respectively, but will, subject to restrictions imposed by the funders and a pre-emptive right in Barloworld's favour, be entitled to sell the shares held in the Shareholder SPV, Funding SPV and Barloworld, respectively, provided that, if Barloworld does not exercise its pre-emptive right, the shares must be sold to a third party that makes at least an equivalent contribution to the empowerment credentials of Barloworld.

3.2.2.4 *Barloworld's call option*

Barloworld has a call option to acquire all of the shares in and claims against each Funding SPV of a CSG upon the same terms and conditions as those applying to the SBPs. Each Shareholder SPV of the CSGs has also pledged its shares in its Funding SPV to Barloworld as security for the performance of its obligations to Barloworld under the call option.

3.2.2.5 *Equity contribution*

Each CSG procured that an equity contribution of R1.5 million was made to its Funding SPV. Each Funding SPV used its equity contribution and the proceeds from its SPV Loan to pay for the subscription price for its Initial Subscription Shares and the balance was used to advance its Barloworld Loan.

3.2.2.6 *Subscription mechanics*

Each Funding SPV of a CSG subscribed for its Initial Subscription Shares in the same manner as was applicable to the SBPs, as set out in paragraph 3.2.1.6. The Initial Subscription Shares have full voting and economic rights.

Barloworld also has the right in certain circumstances, but in any event after the Final Date for each CSG, subject to the rights of the funders, to repurchase all of the Initial Subscription Shares from each Funding SPV of a CSG at their par value of R0.05 per Barloworld Share.

Each Funding SPV of a CSG will, after the Final Date applicable to it, be obliged to subscribe for such number of Barloworld Shares as is equal to the number of its Initial Subscription Shares at the Compulsory Subscription Price per Barloworld Share.

3.2.3 **Agreements**

The actual terms and conditions of the:

- matters referred to in paragraphs 3.2.1.2 to 3.2.1.5 and 3.2.2.2 to 3.2.2.5 are contained in the Relationship Agreements;
- pledges referred to in paragraphs 3.2.1.4 and 3.2.2.4 are contained in the Pledge and Cession Agreements;
- subscriptions for the Initial Subscription Shares and their repurchase, referred to in paragraphs 3.2.1.6 and 3.2.2.6, are contained in the Initial Subscription Agreements; and
- further subscriptions for Barloworld Shares (i.e. the Maturity Date Subscription Shares), also referred to in paragraphs 3.2.1.6 and 3.2.2.6, are contained in the Maturity Date Subscription Agreements.

3.3 **Funding**

3.3.1 The Funding SPVs entered into the SPV Loans. The Funding SPVs in turn used the proceeds of these loans and the equity contributions referred to in paragraphs 3.2.1.5 and 3.2.2.5 (net of costs) to advance the Barloworld Loans.

3.3.2 On the expiry of the period ending on the seventh anniversary of the first drawdown under the relevant SPV Loans (i.e. 22 September 2015), each senior amortising loan comprising the SPV Loans will have been partially amortised, and each Funding SPV will be able to repay its obligations in respect of its senior amortising loan and subordinated loan.

3.3.3 Any balance of cash proceeds available (including the cash proceeds received from the Barloworld Loan) following settlement by a Funding SPV of its funding obligations will be used to subscribe for its Maturity Date Subscription Shares. Each Funding SPV is required to raise its own funding to finance the balance needed for its compulsory subscription.

3.3.4 Unless a Funding SPV has voluntarily repaid its SPV Loans early (which is unlikely) or is required to repay its SPV Loans early in terms of its loan agreements referred to in paragraph 3.3.1, the Final Date applicable to the Funding SPV will be the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans, and it will be required to subscribe for its Maturity Date Subscription Shares on the tenth Business Day after the Final Date (the "**Subscription Date**").

3.3.5 If, (i) the Final Date applicable to a Funding SPV is the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans; (ii) the Funding SPV is not able to pay the full subscription price for its Maturity Date Subscription Shares on the Subscription Date; and (iii) the Funding SPV is not in breach of, among other things, the 2008 B-BBEE Transaction Agreements, then the Funding SPV's obligation to subscribe and pay for its Maturity Date Subscription Shares will be deferred in accordance with the following provisions:

3.3.5.1 the Funding SPV will be obliged to subscribe and pay for that number of Maturity Date Subscription Shares as is equal to the cash available to the Funding SPV on the Subscription Date divided by the Compulsory Subscription Price;

3.3.5.2 with effect from the Subscription Date, the price at which the Funding SPV will be obliged to subscribe and pay for those Maturity Date Subscription Shares for which the subscription price has not been paid in accordance with paragraph 3.3.5.1 (the "**Outstanding Subscription Shares**") will be the Compulsory Subscription Price escalated at the prime interest rate plus 2% per Barloworld Share.

3.3.5.3 all cash that becomes available to the Funding SPV during the period between the Subscription Date and 31 August 2016 will be applied by the Funding SPV to subscribe and pay for the Outstanding Subscription Shares, and the Funding SPV will forthwith after receiving any such cash subscribe and pay for the Outstanding Subscription Shares (or some of them, if such cash is insufficient to discharge the subscription price for all of the Outstanding Subscription Shares) at the Compulsory Subscription Price escalated at the prime interest rate plus 2%;

- 3.3.5.4 if, by 31 August 2016, all of the Outstanding Subscription Shares have not been subscribed and paid for by the Funding SPV, then Barloworld will be entitled to claim from the Funding SPV specific performance in terms of the Maturity Date Subscription Agreement in relation to such of the Outstanding Subscription Shares as have not been subscribed for, without prejudice to any other rights which Barloworld may have in terms of the Maturity Date Subscription Agreement or in law; and
- 3.3.5.5 until all the Outstanding Subscription Shares have been subscribed and paid for, the Funding SPV will be prohibited from making any distribution (including but not limited to any distribution in specie) in relation to the Maturity Date Subscription Shares, as applicable, and the Outstanding Subscription Shares.
- 3.3.6 As security for the performance of its obligations under its Initial Subscription Agreement and Maturity Date Subscription Agreement, each Funding SPV has:
 - 3.3.6.1 pledged to Barloworld its reversionary rights and interest in the Barloworld Shares held by it, in terms of the Reversionary Pledge and Cession Agreements; and
 - 3.3.6.2 ceded in *securitatem debiti* to Barloworld its reversionary rights and interest in certain collection accounts, in terms of the Reversionary Cession Agreements.

4. PROPOSED AMENDMENTS TO THE 2008 B-BBEE TRANSACTION

4.1 Rationale

- 4.1.1 The 2008 B-BBEE Transaction recognised the importance of B-BBEE in achieving a sustainable economic environment in South Africa. At the time, the Board believed that the 2008 B-BBEE Transaction would embrace the spirit of empowerment, while achieving the requirements of the DTI Codes and the goals of Barloworld's over arching B-BBEE strategy.
- 4.1.2 Barloworld and its shareholders have benefited from the participation of the CSGs and the SBPs both commercially and also through their contribution to Barloworld achieving an effective B-BBEE shareholding of approximately 29% as a result of the 2008 B-BBEE Transaction.
- 4.1.3 The structure put in place pursuant to the 2008 B-BBEE Transaction has, in some respects, brought value for the SBPs and the CSGs. It has been calculated that the Funding SPVs of the SBPs and CSGs, as at the Last Practicable Date, being 30 April 2015, have an amount of R269.88 million available to subscribe for the Maturity Date Subscription Shares. The estimated cash is based on the difference between the Barloworld Loans and the SPV Loans and will therefore only materialise into cash on the maturity date of 22 September 2015 (but the cash available to the Funding SPVs as at the date they are obliged to subscribe for the Maturity Date Subscription Shares will change as a result of future dividends to be received (interim dividend for financial year 2015), interest and capital repayments on the SPV Loans and interest on the Barloworld Loans). However, the 2008 B-BBEE Transaction was implemented prior to the impact of the global financial crisis on South Africa, which resulted in a decline in the Barloworld share price, and lower than expected dividends accrued to Barloworld Shareholders during the term of the 2008 B-BBEE Transaction.
- 4.1.4 At inception of the 2008 B-BBEE Transaction, the 30 day VWAP of a Barloworld Share was R83.31. The Barloworld ordinary share price, as at the Last Practicable Date, was R95.10, which is significantly lower than the Subscription Price for the Maturity Date Subscription Shares.
- 4.1.5 Due to these factors, the current position is that it is highly unlikely that the SBPs and the CSGs will be able to finance the balance required to subscribe for the Maturity Date Subscription Shares on the Subscription Date or by 31 August 2016. The Board believes that if Barloworld were to enforce its rights referred to in paragraph 3.3.5.4, this would result in any value for the CSGs and the SBPs in terms of the 2008 B-BBEE Transaction being lost, including their initial equity contribution. The Board believes that this is not aligned with the spirit in which Barloworld undertook the 2008 B-BBEE Transaction.
- 4.1.6 The Board has considered various alternatives to conclude the 2008 B-BBEE Transaction in a fair and equitable manner for the SBPs, the CSGs, Barloworld and Barloworld Shareholders, taking into account the equity risk taken by the B-BBEE Participants, the share price of Barloworld, and the objective of increasing black ownership in Barloworld. The relevant salient terms of the Proposed Amendments are set out below.

4.2 Proposed amendments

4.2.1 ***Proposed amendments to the Initial Subscription Agreements and the Maturity Date Subscription Agreements***

4.2.1.1 Barloworld has entered into agreements with the funders and the Funding SPVs of the CSGs and SBPs for the amendment of the Initial Subscription Agreements and the Maturity Date Subscription Agreements.

4.2.1.2 The salient terms of these proposed amendments are the following:

4.2.1.2.1 The definition of the Final Date, as contained in the Initial Subscription Agreement, will be amended so that one of the possibilities for the Final Date applicable to a Funding SPV will be the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans, or such earlier date as the parties to the Initial Subscription Agreement may agree in writing. The parties to the Initial Subscription Agreement may, however, only agree on a date that falls after the seventh anniversary of the first drawdown under the relevant Funding SPV's SPV Loans.

The purpose of this amendment is to permit the parties, by agreement, to bring forward the Final Date by a maximum of twenty Business Days in order to (i) enable an earlier subscription by a Funding SPV of the Maturity Date Subscription Shares; and (ii) enable the earlier repurchase by Barloworld of the Initial Subscription Shares from a Funding SPV.

It should be noted that if the Final Date is brought forward by agreement as contemplated herein, the restrictions imposed on a CSG or SBP and its respective Shareholder SPV and Funding SPV will terminate earlier (but not by more than 20 Business Days earlier), if the resolution for the amendments referred to in paragraph 4.2.3 is duly passed.

4.2.1.2.2 If, (i) the Final Date applicable to a Funding SPV is the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans, or such earlier date as is agreed by the parties to the Initial Subscription Agreement as contemplated in paragraph 4.2.1.2.1; (ii) the Funding SPV is not able to pay the full subscription price for its Maturity Date Subscription Shares on the Subscription Date; and (iii) the Funding SPV is not in breach of the 2008 B-BBEE Transaction Agreements, then that Funding SPV will be obliged to subscribe for that number of Maturity Date Subscription Shares as is equal to the cash available to the Funding SPV on the Subscription Date divided by the Subscription Price (i.e. R179.69). The Subscription Price will not be escalated by the Predetermined Factor referred to in paragraph 2.4.4.2. Subsequent to the subscription for and issue of such shares, the Funding SPV will no longer have any rights or obligations to subscribe for and be issued with any further ordinary shares in Barloworld in terms of the relevant Maturity Date Subscription Agreement.

4.2.1.2.3 The amendments contemplated in this paragraph 4.2.1 are subject to the fulfilment of the suspensive condition that, by 30 June 2015, they, and the amendments contemplated in paragraph 4.2.2, are approved by Barloworld's shareholders in a single resolution with the support of 75% or more of the voting rights exercised on that resolution by Shareholders present or represented by proxy at the General Meeting. A Funding SPV and each Associate of it will not be entitled to cast any votes in relation to the afore going resolution, in accordance with the Listings Requirements. This resolution is resolution number 1 in the Notice of General Meeting.

4.2.2 ***Proposed amendments to the Reversionary Pledge and Cession Agreements and the Reversionary Cession Agreements***

4.2.2.1 Barloworld has entered into agreements with the Funding SPVs of the CSGs and SBPs for the amendment of the Reversionary Pledge and Cession Agreements and the Reversionary Cession Agreements in order to remove any doubt that the provisions of these agreements remain applicable despite the proposed amendments to the Initial Subscription Agreements and the Maturity Date Subscription Agreements as contemplated in paragraph 4.2.1.

4.2.2.2 The amendments contemplated in this paragraph 4.2.2 are subject to the fulfilment of the suspensive condition that, by 30 June 2015, they, and the amendments contemplated in paragraph 4.2.1, are approved by Barloworld's shareholders in the same resolution referred to in paragraph 4.2.1.2.3 with the support of 75% or more of the voting rights exercised on the relevant resolution by Shareholders present or represented by proxy at the General Meeting. A Funding SPV and each Associate of it will not be entitled to cast any votes in relation to the afore going resolution, in accordance with the Listings Requirements. This resolution is resolution number 1 in the Notice of General Meeting.

4.2.3 ***Proposed amendments to the Relationship Agreements and the Pledge and Cession Agreements***

4.2.3.1 Barloworld has entered into agreements with the CSGs and SBPs, and their respective Funding SPVs and Shareholder SPVs for the amendment of the Relationship Agreements and the Pledge and Cession Agreements.

4.2.3.2 The salient terms of these amendments are as follows:

4.2.3.2.1 If the Final Date applicable to a CSG or SBP is the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans, or such earlier date as is agreed by the parties to the Initial Subscription Agreement as contemplated in paragraph 4.2.1.2.1, the End Date for the relevant CSG or SBP will be reduced from 31 December 2017 to the latest of:

4.2.3.2.1.1 14 days after the Final Date;

4.2.3.2.1.2 the date on which the Funding SPV is issued the ordinary shares in Barloworld under the relevant Maturity Date Subscription Agreement; and

4.2.3.2.1.3 the date on which Barloworld repurchases or acquires the ordinary shares which were issued to the Funding SPV under the relevant Initial Subscription Agreement; provided that, within fourteen days after the Final Date, Barloworld gives written notice to the Funding SPV that Barloworld exercises its right to repurchase or acquire the shares which were issued by it to the Funding SPV.

The effect of this amendment is that if the Final Date for a CSG or an SBP falls on the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans, or such earlier date as is agreed by the parties to the Initial Subscription Agreement as contemplated in paragraph 4.2.1.2.1, then, once the Initial Subscription Shares are repurchased by Barloworld (assuming Barloworld exercises its right to do so within fourteen days of the Final Date) and the Funding SPV subscribes for and is issued with that number of Maturity Date Subscription Shares as is equal to the cash available to the Funding SPV on the Subscription Date, the End Date for the relevant CSG or SBP will be brought forward and all of the restrictions imposed on the CSG or SBP and its respective Shareholder SPV and Funding SPV will terminate.

- 4.2.3.2.2 The Initial Lock-in Period will be extended to the End Date for each CSG and SBP. The effect of this amendment is that the restrictions referred to in paragraphs 3.2.1.3 and 3.2.2.3 will be extended from 31 December 2014 until the End Date for the CSG or SBP and its respective Shareholder SPV and Funding SPV, bearing in mind that if the Final Date falls on the twentieth Business Day after the seventh anniversary of the first drawdown under its SPV Loans, the End Date for the CSG or SBP will be brought forward as contemplated in paragraph 4.2.2.
- 4.2.3.3 As a result of the amendments to the Relationship Agreements contemplated in paragraph 4.2.3.2, certain amendments are proposed to the Pledge and Cession Agreements in order to remove any doubt that the provisions of these agreements remain applicable despite the amendments to the Relationship Agreements.
- 4.2.3.4 The amendments contemplated in this paragraph 4.2.3 are subject to the fulfilment of the suspensive conditions that, by 30 June 2015, (i) the resolution referred to in paragraph 4.2.1.2.3 is passed; and (ii) the amendments contemplated in this paragraph 4.2.3 are approved by Barloworld's shareholders in a single resolution with the support of 75% or more of the voting rights exercised on that resolution by Shareholders present or represented by proxy at the General Meeting. A Funding SPV and each Associate of it will not be entitled to cast any votes in relation to the afore going resolution, in accordance with the requirements of the JSE. This resolution is resolution number 2 in the Notice of General Meeting.

4.2.4 **Additional Share allocation**

- 4.2.4.1 To further the objective of increasing black ownership in Barloworld, the Company proposes to issue the Additional Shares to the Shareholder SPVs of the B-BBEE Participants, or the B-BBEE Participants themselves, *pro rata* to the B-BBEE Participants' respective Funding SPVs' shareholdings in Barloworld, for a subscription price equal to the par value of R0.05 per Barloworld Share (a 99.95% discount to Barloworld's 30-day VWAP), which Additional Shares will be subject to a lock-in period of 12 months from the date of issue. During that 12 month lock-in period, among other things, the Shareholder SPVs will not be entitled to dispose of or encumber any of their Additional Shares. The Shareholder SPVs have also given to Barloworld undertakings similar to the undertakings referred to in paragraph 3.2.1.2 and, as the case may be, paragraph 3.2.2.2. If a Shareholder SPV commits a material breach of the relevant Additional Share Subscription Agreement, Barloworld will have a call option to purchase its Additional Shares at the par value of R0.05 per share. This call option will be subject to Shareholder approval at the relevant time, to the extent required. For the purposes of the Additional Share Allocation, the Izingwe Shareholder SPV is Izingwe Capital.
- 4.2.4.2 The Additional Share Allocation is subject to the fulfilment of the suspensive conditions that, by 30 June 2015, (i) the resolution referred to in paragraph 4.2.1.2.3 is passed; and (ii) the Additional Share Allocation is approved by Barloworld's shareholders with the support of 75% or more of the voting rights exercised on the relevant resolution by Shareholders present or represented by proxy at the General Meeting. A Shareholder SPV (including Izingwe Capital) and each Associate of it and a Funding SPV and each Associate of it will not be entitled to cast any votes in relation to the afore going resolution, in accordance with the requirements of the JSE. This resolution is resolution number 3 in the Notice of General Meeting. It is also a suspensive condition of each Additional Share Allocation to each Shareholder SPV that the constitutional documents of that Shareholder SPV are amended, if necessary, to allow it to subscribe for and hold its Additional Shares, and generally to comply with its obligations in terms of its Additional Share Subscription Agreement.

4.3 **Agreements for the Proposed Amendments**

The actual terms and conditions of the:

- 4.3.1 amendments referred to in paragraph 4.2.1, together with certain consequential amendments, are contained in addenda to the Initial Subscription Agreements and the Maturity Date Subscription Agreements;
- 4.3.2 amendments referred to in paragraph 4.2.2 are contained in addenda to the Reversionary Pledge and Cession Agreements and the Reversionary Cession Agreements;
- 4.3.3 amendments referred to in paragraph 4.2.3, together with certain consequential amendments, are contained in addenda to the Relationship Agreements and the Pledge and Cession Agreements; and
- 4.3.4 Additional Share Allocation referred to in paragraph 4.2.4, are contained in the Additional Share Subscription Agreements.

4.4 **International Financial Reporting Standard charge**

There will be an International Financial Reporting Standards (“IFRS”) charge as a result of the amendments contemplated in paragraph 4.2.1, calculated in accordance with the statement on share based payments in terms of IFRS 2, in relation to the balance of the Maturity Date Subscription Shares in respect of which the Funding SPV is unable to pay the subscription price. This charge is calculated as the difference between the IFRS 2 charge before such amendments and the IFRS 2 charge after such amendments. This IFRS 2 charge, calculated as at the Last Practicable Date, is approximately R155.31 million.

There will also be an IFRS 2 charge as a result of the proposed Additional Share Allocation. This IFRS 2 charge, calculated as at the Last Practicable Date, is approximately R42.8 million.

4.5 **Repurchase of Barloworld Shares to minimise dilution to Shareholders**

Barloworld intends to repurchase on the open market such number of Barloworld Shares as is equal to the Barloworld Shares subscribed for by the B-BBEE Participants pursuant to the amendments contemplated in paragraph 4.2.1 and 4.2.4 in order to minimise the dilution to Barloworld Shareholders. The Subscription Price to be paid by the Funding SPVs and Shareholder SPVs of the B-BBEE Participants will be sufficient to fund the cost of such repurchase.

4.6 **Proposed Amendments taking effect**

If the B-BBEE Resolutions are passed at the General Meeting, all of the Proposed Amendments will take effect (subject to the condition referred to in the last sentence of paragraph 4.2.4.2). If only the first of those resolutions are passed, only the amendments contemplated in paragraphs 4.2.1 and 4.2.2 (“**Resolution 1 Amendments**”) will take effect. If that resolution and resolution 2 contained in the Notice of General Meeting are passed at the General Meeting, the Resolution 1 Amendments and the amendments contemplated in paragraph 4.2.3 will also take effect. If resolutions 1 and 3 contained in the Notice of General Meeting are passed at the General Meeting, the Resolution 1 Amendments and the Additional Share Allocation contemplated in paragraph 4.2.4 will take effect (subject to the condition referred to in the last sentence of paragraph 4.2.4.2).

5. **DIRECTORS’ OPINION AND RECOMMENDATION**

The Board has considered the terms and conditions of the Proposed Amendments and is of the unanimous opinion that such terms and conditions are fair to Barloworld Shareholders and, accordingly, recommends that Barloworld Shareholders vote in favour of the resolutions set out in the Notice of General Meeting.

Dominic Sewela, as an indirect participant in the 2008 B-BBEE Transaction through Gandaganda, has recused himself from any Board discussions relating to the Proposed Amendments.

6. PRO FORMA FINANCIAL EFFECTS

- 6.1 **Annexure 2** of this Circular contains the *pro forma* financial effects which illustrate the impact of the Proposed Amendments on the earnings per share (“**EPS**”), headline earnings per share (“**HEPS**”), net asset value per share (“**NAV**”) and tangible net asset value (“**TNAV**”) of Barloworld for the twelve months ended 30 September 2014. The Independent Reporting Accountants’ report on the *pro forma* financial information of Barloworld is contained in **Annexure 3**.
- 6.2 The *pro forma* financial information is presented in accordance with the provisions of the Listings Requirements and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants. These *pro forma* financial effects are the responsibility of the Directors.
- 6.3 The *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Barloworld has been prepared and in terms of Barloworld’s accounting policies applied for the 30 September 2014 financial year. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Barloworld’s financial position, changes in equity or results of operations post the implementation of the Proposed Amendments.
- 6.4 It has been assumed for purposes of the *pro forma* financial effects that all of the Proposed Amendments took place with effect from 1 October 2013 for statement of comprehensive income purposes, and on 30 September 2014 for statement of financial position purposes.

Column	A	B		C		D	
	Before the Proposed Amendments	Impact after the Proposed Amendments	% change between Columns A and B	Additional impact after the repurchase and compulsory subscription for shares at R179.69	% change between Columns A and C	Additional impact after the potential share buy back	% change between Columns A and D
EPS (cents)	1 012	914	(9.7%)	928	(8.3%)	937	(7.4%)
Diluted EPS (cents)	1 008	910	(9.7%)	924	(8.3%)	933	(7.4%)
HEPS (cents)	883	784	(11.1%)	799	(9.4%)	807	(8.6%)
Diluted HEPS (cents)	878	781	(11.1%)	795	(9.4%)	803	(8.5%)
NAV per share (cents)	7 941	7 922	(0.2%)	7 992	0.6%	7 978	0.5%
TNAV per share (cents)	6 511	6 495	(0.2%)	6 575	1.0%	6 548	0.6%
Net shares in issue (exclude Treasury shares) ('000)	212 585	213 035	0.2%	214 536	0.9%	212 585	0.0%
Weighted average number of shares in issue for EPS calculation ('000)	211 669	212 119	0.2%	213 621	0.9%	211 669	0.0%
Adjusted weighted average number of shares in issue for diluted EPS calculation ('000)	212 680	213 130	0.2%	214 632	0.9%	212 680	0.0%
Net asset value (Rm)	16 882	16 877	(0.0%)	17 146	1.6%	16 960	0.5%
Tangible net asset value (Rm)	13 841	13 836	(0.0%)	14 105	1.9%	13 919	0.6%

Notes:

- Column A has been derived without adjustment from Barloworld’s audited consolidated results for the year ended 30 September 2014.
- Column B illustrates after the impact of the IFRS 2 charges, estimated transaction costs and issue of the Additional Shares arising as a result of the Proposed Amendments:

- (a) A once-off IFRS 2 charge of R155.31 million, arising from the termination of the obligation to subscribe for further shares contemplated in paragraph 4.2.1, calculated using a Monte Carlo simulation model using the following model inputs and assumptions:
- | | |
|---|-------------------|
| (i) Last Practicable Date | 30 April 2015 |
| (ii) Primary maturity date | 21 October 2015 |
| (iii) Initial Subscription Shares | 14 485 013 |
| (iv) Share price on Last Practicable Date | R95.10 per share |
| (v) Subscription Price | R179.69 per share |
| (vi) Risk free rate | Swap curve |
| (vii) Expected dividend yield | 3.0% |
| (viii) Expected volatility | 25% |
| (ix) Scheme value before amendment | R182 568 |
| (x) Scheme value after amendment | R155 495 942 |
- (b) The issue of 450 000 Additional Shares to B-BBEE Participants at par value of R0.05 per share equal to R22 500;
- (c) A once-off IFRS 2 charge of R42.8 million related to the issue of the Additional Shares, calculated as the difference between the Barloworld share price as of the Last Practicable Date and the par value of R0.05 per share, multiplied by the number of Additional Shares; and
- (d) Once-off transaction costs amounting to R5.19 million have been expensed.
3. Column C illustrates the additional impact after the exercise by Barloworld of its option to repurchase 14 485 013 Barloworld Shares from the B-BBEE Participants at par value pursuant to the 2008 B-BBEE Transaction on the assumption that such option will be exercised and the result of the subscription and payment by the Funding SPVs of the B-BBEE Participants at R179.69 per share for so many shares as they can afford from available cash resources (being 1 501 901 shares based on the cash available to the Funding SPVs of the B-BBEE Participants as of the Last Practicable Date) and includes the impact of Column B.
4. Column D is not a direct outcome of any of the Proposed Amendments, but Barloworld intends to repurchase Barloworld Shares on the open market to minimise the dilution of the cash subscription of shares set out in Column B and C. The column illustrates the additional impact after Barloworld repurchases 1 951 901 shares in the market at a price of R95.10 per share (as of the Last Practicable Date) and includes the impact of Column B and C.
5. The *pro forma* statement of comprehensive income and statement of financial position and detailed notes are set out in **Annexure 2** to this Circular and the Independent Reporting Accountants' Report thereon in **Annexure 3**.

7. GENERAL MEETING

Notice of the General Meeting of Barloworld Shareholders is attached to, and forms part of, this Circular. The General Meeting of Barloworld Shareholders will be held in the Tokyo Meeting Room, Barloworld Corporate Office, 180 Katherine Street, Sandton at 12:00 on 19 June 2015, to consider and, if deemed fit, pass the resolutions necessary to give effect to the Proposed Amendments.

Barloworld Shareholders are referred to the section entitled "Action required by Barloworld Shareholders" commencing on page 14 of this Circular for the action required to be taken by them in respect of the General Meeting.

8. INFORMATION RELATING TO BARLOWORLD

8.1 Nature of business

Barloworld is a distributor of leading international brands providing innovative rental, fleet management, product support and logistics solutions. The core divisions of the Group comprise Equipment and Handling (earth moving, power systems, materials handling and agriculture), Automotive and Logistics (car rental, motor retail, fleet services, used vehicles and disposal solutions, logistics management and supply chain optimisation). Barloworld offers flexible, value adding, integrated business solutions to its customers backed by leading global brands. The brands it represents on behalf of its principals include Caterpillar, Hyster, Avis, Audi, BMW, Ford, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz, Toyota, Volkswagen, Massey Ferguson and others.

Barloworld has a proven track record of long-term relationships with global principals and customers. The Company has an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of its core competencies is an ability to leverage systems and best practices across its chosen business segments. As an organisation, Barloworld is committed to sustainable development and playing a leading role in empowerment and transformation. The Company was founded in 1902 and currently has operations in 24 countries around the world with 75% of just over 19 600 employees in South Africa.

8.2 Prospects

Demand for commodities will remain under pressure in the year ahead due to slower growth in China and reduced investment in new mining projects will impact new sales in the Equipment business. However, after-market activity should remain robust as the Company provides parts and services to mining customers focusing on maintaining productivity in existing fleets. Construction remains weak in South Africa while the outlook for the rest of southern Africa is positive. Russian performance will depend on the oil price and how the crisis in Ukraine evolves, but the Company is anticipating potential machine sales opportunities for the Power of Siberia gas supply pipeline linking Russia and China. About 2 000 km of this planned pipeline will be located in Barloworld's Russian dealership territory. The Company expects an improved result out of Iberia following the restructuring in 2014, together with signs of long-awaited growth in the Spanish economy. The Automotive division is trading well with all business units performing ahead of the prior year, while Logistics will benefit from new contracts awarded.

8.3 Share capital

The authorised and issued share capital of Barloworld, as at the Last Practicable Date and after giving effect to the Proposed Amendments is set out below:

Before the Proposed Amendments	R'm
<i>Authorised share capital</i>	
500 000 6% non-redeemable cumulative preference shares of R2 each	1.00
400 000 000 ordinary shares of R0.05 each	20.00
<i>Issued share capital</i>	
375 000 6% non-redeemable cumulative preference shares of R2 each	0.75
231 291 819 ordinary shares of R0.05 each	11.56
Total issued share capital	12.31
Share premium	303.69
Total issued share capital and premium	316.00
After the Proposed Amendments	R'm
<i>Authorised share capital</i>	
500 000 6% non-redeemable cumulative preference shares of R2 each	1.0
400 000 000 ordinary shares of R0.05 each	20.0
<i>Issued share capital</i>	
375 000 6% non-redeemable cumulative preference shares of R2 each	0.75
218 758 707 ¹ ordinary shares of R0.05 each	11.69
Total issued share capital	10.94
Share premium	573.49
Total issued share capital and premium	585.18

1. Issued ordinary shares after the Proposed Amendments whereby Barloworld would exercise the repurchase right to acquire 14 485 013 Barloworld Shares from the B-BBEE Participants, the B-BBEE Participants would subscribe for 1 501 901 Barloworld Shares and Barloworld would issue 450 000 Additional Shares. Barloworld intends to repurchase Barloworld Shares on the open market to minimise the dilution of the cash subscription of these shares.

8.4 Trading history

The share price history of Barloworld Shares on the JSE is set out in **Annexure 4** to this Circular.

9. INFORMATION ON DIRECTORS AND MANAGEMENT

9.1 Details of Directors

The Directors details are set out below and further information on the Directors is included in **Annexure 5** of this Circular.

Name	Age	Designation	Business address
Dumisa Buhle Ntsebeza	65	Independent non-executive Director Chairman	Victoria Mxenge Group of Advocates, Sandown Office Village Park, West Court First Floor, 81 Maude Street Corner Gwen Lane Sandton, 2196
Neo Phakama Dongwana	43	Independent non-executive Director	PO Box 688, Northlands, 2116
Frances Ngozichukwuka Oluwatoyin Edozien	50	Independent non-executive Director	InVivo Partners – 162 Bamgbose Street Onikan, Lagos, Nigeria
Alexander Gordon Kelso Hamilton	69	Independent non-executive Director	180 Katherine Street Sandton, 2196
Alexander Landia	52	Independent non-executive Director	Lambert Energy Advisory Ltd, 17 Hill Street, London W1J5LJ, UK
Sibongile Susan Mkhabela	58	Independent non-executive Director	Nelson Mandela Children's Fund, 27 Eastwold Way Saxonwold, 2196
Babalwa Ngonyama	40	Independent non-executive Director	PO Box 76468 Wendywood 2144
Sango Siviwe Ntsaluba	54	Independent non-executive Director	Building 4, Parc Nicol, 3001 William Nicol Drive, Bryanston
Steven Bernard Pfeiffer	68	Independent non-executive Director	Fulbright & Jaworski LLP, 801 Pennsylvania Avenue, NW Washington DC, USA, 20004
Oupa Isaac Shongwe	52	Non-independent non-executive Director	Suite 15, 2nd Floor, Katherine and West 114 West Street Sandton
Clive Bradney Thomson	48	Chief Executive	180 Katherine Street Sandton, 2196
Donald Gert Wilson	58	Finance director	180 Katherine Street Sandton, 2196
Peter John Blackbeard	57	Chief Executive Officer: Power Systems southern Africa, Iberia, Russia and Handling	Barloworld Handling, Ground Floor, Statesman House Stafferton Way, Maidenhead SL6 1AD, England
Peter John Bulterman	59	Chief Executive Officer: Southern Africa, Iberia and Russia	180 Katherine Street Sandton, 2196
Dominic Malentsha Sewela	49	Chief Executive Officer: Equipment southern Africa	180 Katherine Street Sandton, 2196

9.2 Details of Directors of major subsidiaries

The details of the Directors of major subsidiaries are set out below and further information is included in **Annexure 5** of this Circular:

Name	Age	Designation	Business address
Neo Phakama Dongwana	43	Director	PO Box 688, Northlands, 2116
Matthew Govender	51	Director	180 Katherine Street, Sandton Johannesburg, 2146
Emmanuel Leeka	45	Director	180 Katherine Street, Sandton Johannesburg, 2146
Gale Antonette Lemmert	50	Director	6 Anvil Road, Isando, Johannesburg, 1600
Boikanyo Johanna Mazibuko	38	Director	136 Main Reef Road, Boksburg Johannesburg, 1460
Sibani Mngomezulu	43	Director	180 Katherine Street, Sandton Johannesburg, 2146
Sameshan Yanasegran Moodley	37	Director	180 Katherine Street, Sandton Johannesburg, 2146
Litha Carl Nkombisa	47	Director	6 Anvil Road, Isando, Johannesburg, 1600
Dominic Malentsha Sewela	49	Director	180 Katherine Street, Sandton Johannesburg, 2146
Clive Bradney Thomson	48	Director	180 Katherine Street, Sandton Johannesburg, 2146
Donald Gert Wilson	58	Director	180 Katherine Street, Sandton Johannesburg, 2146

9.3 Directors' remuneration

There will be no variation in the fees receivable by any of the Directors as a consequence of the implementation of the Proposed Amendments.

9.4 Directors' interests in shares

The direct and indirect beneficial interests of the Directors (and their Associates), including any director who resigned within the last 18 months, in Barloworld Shares as of the Last Practicable Date, are set out below:

Directors	Forfeitable Shares	Direct beneficial	Indirect beneficial	Total direct and indirect	Percentage of issued ordinary share capital (%)
Executive					
CB Thomson	162 540	353 011	103	353 114	0.15
DG Wilson	84 090	129 193	–	129 193	0.06
DM Sewela ¹	–	–	1 356 674	1 356 674	0.59
PJ Blackbeard	27 650	132 060	–	132 060	0.06
PJ Bulterman	84 090	87 420	–	87 420	0.04
M Laubscher*	30 980	41 667	118 566	160 233	0.07
Subtotal	389 350	743 351	1 475 343	2 218 694	0.96
Non-executive					
DB Ntsebeza	–	41 960	–	41 960	0.02
AGK Hamilton	–	1 850	–	1 850	0.00
S Mkhabela	–	37 430	–	37 430	0.02
HT Nyasulu**	–	650	–	650	0.00
SB Pfeiffer	–	10 000	–	10 000	0.00
OI Shongwe	6 314	77 786	570	78 356	0.03
Total	395 664	913 027	1 475 913	2 388 940	1.03

1. As a result of Dominic Sewela's 45.0% shareholding in Gandaganda through The Sewela Family Trust, it is estimated, based on the current estimate of cash available to Gandaganda's Funding SPV, that Dominic will be the indirect beneficiary of 134 857 shares as of the Subscription Date (0.06% of Barloworld's issued share capital). The Additional Share Allocation will result in an estimated increase in Dominic Sewela's indirect beneficial interest through The Sewela Family Trust of 42 147 shares, being 0.02% of Barloworld's issued ordinary share capital.

* Martin Laubscher retired on 4 February 2015.

** Hixonia Nyasulu resigned on 29 January 2014.

9.5 Directors' interest in transactions

No Director including those who have resigned in the last 18 months, has any beneficial interest, directly or indirectly in any transactions effected by Barloworld during the current or immediately preceding financial year; or during an earlier financial year and remains in any respect outstanding or underperformed.

10. ESTIMATED EXPENSES

The preliminary expenses relating to the Proposed Amendments or that are expected to be incurred by Barloworld in relation to the Proposed Amendments will amount to approximately R5 193 001 (excluding VAT) and have been detailed below:

Nature of expense	Paid/Payable to	R
JSE documentation inspection fee	JSE	12 602
Printing, publication and distribution	Ince	60 010
Attorneys	Bowman Gilfillan Inc	2 200 000
Corporate Advisor and Transaction Sponsor	Standard Bank	2 500 000
IFRS valuation charge	PwC	40 000
Independent reporting accountants and auditors	Deloitte	250 000
Transfer secretaries	Link Market Services	20 000
Listing fees	JSE	110 389
Total		5 193 001

Other than as set out above, Barloworld has incurred no preliminary expenses in relation to the Proposed Amendments during the three years preceding the date of this Circular.

11. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have during the twelve months preceding the date of this Circular, had a material effect on the financial position of Barloworld and the Board is not aware of any proceedings that would have a material effect on the financial position of Barloworld or which are pending or threatened against Barloworld.

12. CONSENTS

Each of the advisors whose names appear in the "Corporate Information and Advisors" section of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names in the form and context in which they appear in this Circular.

The Independent Reporting Accountants have consented in writing to the inclusion of their report in this Circular in the form and context in which it appears and have not withdrawn such consent prior to the publication of this Circular.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the office of the Company and the Sponsor, which addresses are set out in the "Corporate Information" section of this Circular, during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of this Circular up to and including 19 June 2015 (*both days inclusive*):

- the Memorandum of Incorporation of Barloworld and its major subsidiaries;
- Audited Annual Financial Statements for years ended 30 September 2014, 2013 and 2012;
- the signed copy of the Independent Reporting Accountants' report on the *pro forma* financial information;
- the Addenda referred to in paragraph 4.3;
- Maturity Date Subscription Agreements;
- Initial Subscription Agreements;
- the Relationship Agreements;
- the Pledge and Cession Agreements;
- the Reversionary Cession Agreements;
- the Reversionary Pledge and Cession Agreements;
- the Additional Share Subscription Agreements;
- signed consent letters referred to in paragraph 12 above; and
- a signed copy of this Circular.

Signed at Johannesburg by DB Ntsebeza on behalf of all the Directors of Barloworld Limited in terms of a written resolution of the Board.

Dumisa Ntsebeza
Chairman

15 May 2015

INFORMATION ON COMMUNITY SERVICE GROUPS AND STRATEGIC BLACK PARTNERS

1. CSGs INVOLVED IN THE 2008 B-BBEE TRANSACTION:

1.1 DEC

DEC is wholly owned by the Disability Empowerment Concerns Trust. The DEC Trust was established in 1996 by seven non-governmental organisations representing people with disabilities. DEC was established to engage in business ventures in the context of B-BBEE.

The key beneficiaries are:

- The South African Disability Development Trust;
- The Deaf Federation of South Africa;
- National Council for Persons with Physical Disabilities in South Africa;
- South African Federation for Mental Health;
- South African National Council for the Blind; and
- Epilepsy South Africa.

DEC acquired 717 892 Barloworld Shares representing 0.32% (zero point thirty two percent) of the issued share capital of the Company through SPV Tamarix 1 in the 2008 B-BBEE Transaction.

1.2 Ikamva

Ikamva was set up to benefit the Ikamva Labantu (“the future of our nation”) organisation which is a community-driven non-governmental, non-profit organisation that delivers many social support services to underdeveloped communities in Cape Town. These services include learning and development and primary healthcare programmes, as well as provision of resources and hands-on support required to meet the needs of its beneficiaries. Ikamva Labantu equips communities with the information, support and resources necessary for them to become self-sufficient and sustainable.

Ikamva acquired 717 892 Barloworld Shares representing 0.32% (zero point thirty two percent) of the issued share capital of the Company through SPV Tamarix 2 in the 2008 B-BBEE Transaction.

1.3 Shalamuka

Shalamuka is a trust formed in 2006 to raise long-term, sustainable funding for the highly regarded Penreach. Penreach is a programme which develops teaching skills and works in over 1 000 public schools with 17 852 teachers and 533 873 learners. 100% of the beneficiaries of Penreach are black South Africans, of which at least 95% are black rural women.

Shalamuka acquired 717 892 Barloworld Shares representing 0.32% (zero point thirty two percent) of the issued share capital of the Company through SPV Tamarix 3 in the 2008 B-BBEE Transaction.

2. SBPs INVOLVED IN THE 2008 B-BBEE TRANSACTION:

2.1 Ayavuna

Ayavuna is an investment company, founded by Mrs Hixonia Nyasulu for the purpose of investing in select companies where they could add real value. Hixonia invited a group of other successful black women to create a structure that would advance black empowerment and create economic value for the shareholders. One of the Company’s core principles is value add and over time, the Ayavuna Trust has made real a difference in the three Girls’ schools that are its beneficiaries. Mrs Hixonia Nyasulu is the chairman of Ayavuna.

Ayavuna has the following shareholders:

- Mawavune Women's Investments (Proprietary) Limited (35%);
- Hixonia's family trust, the Nyasulu Family Trust (25%);
- Standard Bank (20%);
- the Ayavuna Employee Share Incentive Trust, which has since been wound down (10%); and
- the Ayavuna Trust (a community trust) (10%).

Ayavuna acquired 3 400 185 Barloworld Shares representing 1.50% (one point five percent) of the issued share capital of the Company through SPV Tamarix 4 in the 2008 B-BBEE Transaction.

2.2 **Gandaganda**

Gandaganda is a black empowered trust comprising of entrepreneurs and emerging business women. It is a vehicle set up by Moses Moloele and Dominic Sewela, (then Chief Executive Officer of Barloworld Equipment (South Africa), and more recently a director of Barloworld), to participate in the black ownership initiative.

The key beneficiaries are:

- The Sewela Family Trust, the family trust of Dominic Sewela which has a 45% interest in Gandaganda;
- The Mahlare Investment Trust, which is a family trust of Dr Tshomoko Reuben Sethulane Mahlare, which has a 22.5% interest in Gandaganda;
- Venus Management Services (Proprietary) Limited, whose sole shareholder is Moses Moloele, which holds a 22.5% interest in Gandaganda; and
- The Basadi Empowerment Trust, led by Helen Mokgosi, which holds a 10% interest in Gandaganda.

Gandaganda acquired 3 014 831 Barloworld Shares representing 1.33% (one point thirty three percent) of the issued share capital of the Company through SPV Tamarix 5 in the 2008 B-BBEE Transaction.

2.3 **Y J Family Trust**

Yunus Akoob Khamissa and Jubada Akoob Khamissa, the founders of the Y J Family Trust, have an existing business relationship with Barloworld through non-controlling interests in various motor dealerships. The key trustees and beneficiaries of the trusts are Yunus Akoob Khamissa and his two sons Hassan Akoob Khamissa and Nizam Akoob Khamissa. The Akoob Khamissa family has been very successful in the retail motor industry since 1980. Since 2003, the Akoob Khamissa family has been involved with Barloworld in a joint venture which owns Mercedes Benz, Chrysler, Jeep, Dodge, Subaru, Mitsubishi and Freightliner franchises in Durban and Pietermaritzburg.

Y J Family Trust acquired 1 518 749 Barloworld Shares representing 0.67% (zero point sixty seven percent) of the issued share capital of the Company through SPV Tamarix 6 in the 2008 B-BBEE Transaction.

2.4 **Izingwe**

Izingwe is a special purpose vehicle established for the black ownership initiative, and has materially the same indirect shareholders as Izingwe Holdings, which is led by Siphon Pityana. Izingwe Holdings is a significant investor in mining, engineering and infrastructure development and in suppliers to those sectors. It also has strong partnerships in the financial services sector. It is an active and long-term shareholder that makes focused and value enhancing interventions for its underlying investments. Existing and previous investments include AngloGold Ashanti plc, Aberdare Cables (Proprietary) Limited, Scaw Metals South Africa (Proprietary) Limited, Old Mutual plc and Nedbank Group Limited.

Izingwe acquired 1 700 092 Barloworld Shares representing 0.75% (zero point seventy five percent) of the issued share capital of the Company through SPV Tamarix 7 in the 2008 B-BBEE Transaction.

2.5 **Zwavhudi**

Zwavhudi is a company that was founded by Litha Nkombisa and Ciko Thomas, who have extensive experience in the motor industry. Litha is an Executive at Barloworld Automotive & Logistics and Ciko is an Executive at Nedbank. Litha and Ciko's long standing partnership with Barloworld started 11 years ago when they bought a BMW dealership from Barloworld. Each of Litha and Ciko holds 50% ordinary shares in Zwavhudi through family trusts which are Nkombisa Family Trust and Hlumani Trust.

Zwavhudi acquired 997 388 Barloworld Shares representing 0.44% (zero point forty four percent) of the issued share capital of the Company through SPV Tamarix 8 in the 2008 B-BBEE Transaction.

2.6 **Moty**

Moty is a broad-based company, comprising of experienced black business people, trade and hawkers associations, charitable trusts and youth. Moty is led by Bheki Sibiyi (Chairman), Bridgette Radebe, Lawrence Mavundla and Owen Maubane, who are all experienced business people.

Moty's shareholders are:

- Moty Capital Partners (Proprietary) Limited (22%);
- Mmakau Investments (Proprietary) Limited (investment vehicle owned by Bridgette Radebe) (15%);
- Bheki Sibiyi (18%);
- Renaissance Mining and Exploration (Proprietary) Limited (black professionals) (10%);
- The Ibhongo Trust (a trust set up for the benefit of primarily the grandchildren of former President Nelson Mandela) (5%);
- MaAfrika Tikkun (an association incorporated under section 21) (6%);
- ACHIB (African Cooperative for Hawkers and Informal Business) Empowerment Trust (12%);
- the National Industrial Chamber Trust, a NAFCOOC affiliate (5%); and
- an additional 7% is held by various black professionals.

Moty's indirect shareholders include the Ithuba Trust (a charitable trust), which holds its interest in Moty through Moty Capital Partners (Proprietary) Limited.

Moty acquired 1 700 092 Barloworld Shares representing 0.75% (zero point seventy five percent) of the issued share capital of the Company through SPV Tamarix 9 in the 2008 B-BBEE Transaction.

PRO FORMA FINANCIAL INFORMATION OF BARLOWORLD

The *pro forma* financial information is presented in accordance with the provisions of the Listings Requirements and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants. These *pro forma* financial effects are the responsibility of the Directors.

The *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Barloworld has been prepared and in terms of Barloworld's accounting policies applied for the 30 September 2014 financial year. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Barloworld's financial position, changes in equity or results of operations post the implementation of the Proposed Amendments.

It has been assumed for purposes of the *pro forma* financial effects that the Proposed Amendments, compulsory subscription and share buyback took place with effect from 1 October 2013 for statement of comprehensive income purposes, and on 30 September 2014 for statement of financial position purposes.

The *pro forma* financial information as set out below should be read in conjunction with the report of the independent reporting accountant which is included as **Annexure 3** of this Circular.

Statement of financial position as at 30 September 2014

Column	A	B	C	D
	Before the Proposed Amendments Rm	Impact after the Proposed Amendments Rm	Additional impact after the repurchase and compulsory subscription for shares at R179.69 Rm	Additional impact after the potential share buyback Rm
ASSETS				
Non-current assets	17 287	17 287	17 287	17 287
Property, plant and equipment	12 614	12 614	12 614	12 614
Goodwill	1 661	1 661	1 661	1 661
Intangible assets	1 380	1 380	1 380	1 380
Investment in associates and joint ventures	720	720	720	720
Finance lease receivables	123	123	123	123
Long-term financial assets	94	94	94	94
Deferred taxation assets	695	695	695	695
Current assets	26 719	26 714	26 983	26 797
Vehicle rental fleet	2 307	2 307	2 307	2 307
Inventories	11 814	11 814	11 814	11 814
Trade and other receivables	8 357	8 357	8 357	8 357
Taxation	79	79	79	79
Cash and cash equivalents	4 162	4 157	4 426	4 240
Total assets	44 006	44 001	44 270	44 084
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium	316	316	585	400
Other reserves	4 517	4 715	4 715	4 715
Retained income	12 049	11 846	11 846	11 846
Interest of shareholders of Barloworld Limited	16 882	16 877	17 146	16 960
Non-controlling interest	604	604	604	604
Interest of all shareholders	17 486	17 481	17 750	17 564
Non-current liabilities	9 700	9 700	9 700	9 700
Interest bearing	6 921	6 921	6 921	6 921
Deferred taxation liabilities	377	377	377	377
Provisions	182	182	182	182
Other non-current liabilities	2 220	2 220	2 220	2 220
Current liabilities	16 820	16 820	16 820	16 820
Trade and other payables	11 263	11 263	11 263	11 263
Provisions	1 046	1 046	1 046	1 046
Taxation	116	116	116	116
Amounts due to bankers and short-term loans	4 395	4 395	4 395	4 395
Total equity and liabilities	44 006	44 001	44 270	44 084
Net asset value	16 882	16 877	17 146	16 960
Tangible net asset value	13 841	13 836	14 105	13 919
Net shares in issue (exclude Treasury shares) ('000)	212 585	213 035	214 536	212 585
Net asset value per share (cents)	7 941	7 922	7 992	7 978
Tangible net asset value per share (cents)	6 511	6 495	6 575	6 548

Notes:

1. Column A has been derived without adjustment from Barloworld's audited consolidated results for the year ended 30 September 2014.
2. Column B illustrates the impact after the IFRS 2 charges, estimated transaction costs and issue of the Additional Shares arising as a result of the Amendments:
 - (a) A once-off IFRS 2 charge of R155.31 million, arising from the termination of the obligation to subscribe for further shares contemplated in paragraph 4.2.1, calculated using a Monte Carlo simulation model using the following model inputs and assumptions:

(i) Last Practicable Date	30 April 2015
(ii) Primary maturity date	21 October 2015
(iii) Initial Subscription Shares	14 485 013
(iv) Share price on Last Practicable Date	R95.10 per share
(v) Subscription Price	R179.69 per share
(vi) Risk free rate	Swap curve
(vii) Expected dividend yield	3.0%
(viii) Expected volatility	25%
(ix) Scheme value before amendment	R182 568
(x) Scheme value after amendment	R155 495 942
 - (b) The issue of 450 000 Additional Shares to B-BBEE Participants at par value of R0.05 per share equal to R22 500.
 - (c) A once-off IFRS 2 charge of R42.8 million related to this issue of the Additional Shares, calculated as the difference between the Barloworld share price as of the Last Practicable Date and the par value of R0.05 per share, multiplied by the number of Additional Shares.
 - (d) Once-off transaction costs amounting to R5.19 million have been expensed.
3. Column C illustrates the additional impact after the exercise by Barloworld of its option to repurchase 14 485 013 Barloworld Shares from the B-BBEE Participants at par value pursuant to the 2008 B-BBEE Transaction on the assumption that such option will be exercised and the result of the subscription and payment by the Funding SPVs of the B-BBEE Participants at R179.69 per share for so many shares as they can afford from available cash resources (being 1 501 901 shares based on the cash available to the Funding SPVs of the B-BBEE Participants as of the Last Practicable Date) and includes the impact of Column B.
4. Column D is not a direct outcome of any of the Proposed Amendments, but Barloworld intends to repurchase Barloworld Shares on the open market to minimise the dilution of the cash subscription of shares set out in Column B and C. The column illustrates the additional impact after Barloworld repurchases 1 951 901 shares in the market at a price of R95.10 per share (as of the Last Practicable Date) and includes the impact of Column B and C.
5. There are no other post balance sheet events which require adjustment to the *pro forma* financial information.

Statement of comprehensive income for the twelve months ended 30 September 2014

Column	A	B	C	D
	Before the Proposed Amendments Rm	Impact after the Proposed Amendments Rm	Additional impact after the repurchase and compulsory subscription for shares at R179.69 Rm	Additional impact after the potential share buyback Rm
Continuing operations				
Revenue	62 101	62 101	62 101	62 101
Transaction cost	–	(5)	(5)	(5)
IFRS 2 charge	–	(198)	(198)	(198)
Operating profit before items listed below (EBITDA)	6 170	5 967	5 967	5 967
Depreciation	(2 198)	(2 198)	(2 198)	(2 198)
Amortisation of intangible assets	(142)	(142)	(142)	(142)
Operating profit	3 830	3 627	3 627	3 627
Fair value adjustments on financial instruments	(156)	(156)	(156)	(156)
Finance costs	(1 117)	(1 117)	(1 117)	(1 117)
Income from investments	39	39	39	39
Profit before exceptional items	2 596	2 393	2 393	2 393
Exceptional items	(66)	(66)	(66)	(66)
Profit before taxation	2 530	2 327	2 327	2 327
Taxation	(837)	(837)	(837)	(837)
Profit after taxation	1 693	1 490	1 490	1 490
Income from associates and joint ventures	217	217	217	217
Net profit from continuing operations	1 910	1 707	1 707	1 707
Discontinuing operations				
Profit from discontinued operations	428	428	428	428
Net profit	2 338	2 135	2 135	2 135
Net profit attributable to:				
Owners of Barloworld Limited	2 143	1 940	1 984	1 984
Non-controlling interest in subsidiaries	195	195	151	151
	2 338	2 135	2 135	2 135

Column	A	B		C		D	
	Before the Proposed Amendments	Impact after the Proposed Amendments	% change between Columns A and B	Additional impact after the repurchase and compulsory subscription for shares at R179.69	% change between Columns A and C	Additional impact after the potential share buyback	% change between Columns A and D
Earnings per share (cents)	1 012	914	(9.7%)	928	(8.3%)	937	(7.4%)
Diluted earnings per share (cents)	1 008	910	(9.7%)	924	(8.3%)	933	(7.4%)
Headline earnings per share (cents)	883	784	(11.1%)	799	(9.4%)	807	(8.6%)
Diluted headline earnings per share (cents)	878	781	(11.1%)	795	(9.4%)	803	(8.5%)
Net asset value per share (cents)	7 941	7 922	(0.2%)	7 992	0.6%	7 978	0.5%
Tangible net asset value per share (cents)	6 511	6 495	(0.2%)	6 575	1.0%	6 548	0.6%
Net shares in issue (exclude treasury shares) ('000)	212 585	213 035	0.2%	214 536	0.9%	212 585	0.0%
Weighted average number of shares in issue for EPS calculation ('000)	211 669	212 119	0.2%	213 621	0.9%	211 669	0.0%
Adjusted weighted average number of shares in issue for diluted EPS calculation ('000)	212 680	213 130	0.2%	214 632	0.9%	212 680	0.0%
Net asset value (Rm)	16 882	16 877	(0.0%)	17 146	1.6%	16 960	0.5%
Tangible net asset value (Rm)	13 841	13 836	(0.0%)	14 105	1.9%	13 919	0.6%

Reconciliation of headline earnings

Column	A	B	C	D
	Before the Proposed Amendments Rm	Impact after the Proposed Amendments Rm	Additional impact after the repurchase and compulsory subscription for shares at R179.69 Rm	Additional impact after the potential share buyback Rm
Net profit attributable to Barloworld shareholders	2 143	1 940	1 984	1 984
Adjusted for the following:				
(Profit)/loss on disposal of subsidiaries and investments (IFRS 10)	(530)	(530)	(530)	(530)
Profit on disposal of properties (IAS 16)	(77)	(77)	(77)	(77)
Impairment of goodwill (IFRS 3)	208	208	208	208
Reversal of impairment of investments in associates and joint ventures (IAS 28)	2	2	2	2
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	94	94	94	94
Non-controlling interest in remeasurements	27	27	27	27
Headline earnings	1 867	1 664	1 708	1 708

Notes:

1. Column A has been derived without adjustment from Barloworld's audited consolidated results for the year ended 30 September 2014.
2. Column B illustrates the impact after the IFRS 2 charges, estimated transaction costs and issue of the Additional Shares arising as a result of the Proposed Amendments:
 - (a) A once-off IFRS 2 charge of R155.31 million, arising from the termination of the obligation to subscribe for further shares contemplated in paragraph 4.2.1, calculated using a Monte Carlo simulation model using the following model inputs and assumptions:

(i) Last Practicable Date	30 April 2015
(ii) Primary maturity date	21 October 2015
(iii) Initial Subscription Shares	14 485 013
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 - (c) A once-off IFRS 2 charge of R42.8 million related to this issue of the Additional Shares, calculated as the difference between the Barloworld share price as of the Last Practicable Date and the par value of R0.05 per share, multiplied by the number of Additional Shares.
 - (d) Once-off transaction costs amounting to R5.19 million have been expensed.
3. Column C illustrates the additional impact after the exercise by Barloworld of its option to repurchase 14 485 013 Barloworld Shares from the B-BBEE Participants at par value pursuant to the 2008 B-BBEE Transaction on the assumption that such option will be exercised and the result of the subscription and payment by the Funding SPVs of the B-BBEE Participants at R179.69 per share for so many shares as they can afford from available cash resources (being 1 501 901 shares based on the cash available to the Funding SPVs of the B-BBEE Participants as of the Last Practicable Date) and includes the impact of Column B.
4. Column D is not a direct outcome of any of the Proposed Amendments, but Barloworld intends to repurchase Barloworld Shares on the open market to minimise the dilution of the cash subscription of shares set out in Column B and C. The column illustrates the additional impact after Barloworld repurchases 1 951 901 shares in the market at a price of R95.10 per share (as of the Last Practicable Date) and includes the impact of Column B and C.

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

"The Directors
Barloworld Limited
180 Katherine Street
Sandton
2146

Dear Sir(s)/Madam

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Barloworld Limited by the directors. The *pro forma* financial information, as set out in paragraph 6 and **Annexure 2** of the circular ("the circular"), to be dated on or about 15 May 2015, consists of a statement of comprehensive income and a statement of financial position, and related financial information. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited 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 paragraphs 1 to 5 of the Circular, on the Company's financial position as at 30 September 2014, and the Company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 October 2013, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 30 September 2014 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 financial statements for the period ended 30 September 2014, on which an unmodified auditor's report was issued on 14 November 2014.

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 paragraph 6 and **Annexure 2** of the circular.

Reporting Accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a 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 30 September 2014 would have been as presented.

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

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

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the 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 paragraph 6 and **Annexure 2** of the circular.

Deloitte & Touche

Registered Auditor

Per: Graeme Berry

Partner

12 May 2015

Deloitte & Touche

Deloitte Place

The Woodlands

20 Woodlands Drive

Woodmead

Sandton

2146

National executive: *LL Bam Chief Executive *AE Swiegers Chief Operating Officer *GM Pinnock Audit DL Kennedy Risk Advisory *NB Kader Tax TP Pillay Consulting *K Black Clients & Industries *JK Mazzocco Talent & Transformation *MJ Jarvis Finance *M Jordan Strategy S Gwala Managed Services *TJ Brown Chairman of the Board *MJ Comber Deputy Chairman of the Board.

A full list of partners and Directors is available on request.

* Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited”

SHARE PRICE HISTORY OF BARLOWORLD ON THE JSE

Set out below is a table showing the aggregate volumes and values traded and the highest and lowest prices traded in Barloworld Shares for:

- each month over the 12 months prior to the date of issue of this Circular; and
- each day over the 30 days preceding the Last Practicable Date.

Monthly	High <i>(cents per share)</i>	Low <i>(cents per share)</i>	Value <i>(Rand millions)</i>	Volume
2015				
April	9 790	8 850	74 346	8 025 251
March	9 449	8 345	137 511	15 405 179
February	9 450	8 641	80 190	8 900 554
January	9 931	8 442	141 013	15 572 361
2014				
December	10 404	9 263	124 072	12 608 506
November	10 690	9 499	132 263	13 021 069
October	9 764	8 920	115 890	12 397 456
September	10 421	9 046	102 184	10 577 726
August	10 299	9 695	85 364	8 512 673
July	10 480	9 881	113 710	11 196 074
June	10 490	9 850	232 692	22 871 127
May	11 758	10 008	265 099	24 595 046
Daily				
2015				
April				
30/04/2015	9 646	9 430	9 804	1 029 790
29/04/2015	9 633	9 494	4 096	429 804
28/04/2015	9 790	9 500	6 200	640 906
24/04/2015	9 621	9 296	6 053	638 654
23/04/2015	9 350	9 103	6 006	651 377
22/04/2015	9 330	9 125	4 166	452 131
21/04/2015	9 339	9 121	2 971	321 119
20/04/2015	9 317	9 132	2 658	287 414
17/04/2015	9 338	9 082	4 750	515 756
16/04/2015	9 331	8 980	6 111	661 377
15/04/2015	9 067	8 888	3 398	376 906
14/04/2015	9 009	8 852	2 814	314 602
13/04/2015	9 071	8 879	4 628	517 276
10/04/2015	9 186	8 906	4 907	542 632
09/04/2015	9 065	8 851	4 131	463 004
08/04/2015	9 131	8 990	1 653	182 503
07/04/2015	9 187	8 955	4 439	490 952
02/04/2015	9 372	8 850	8 975	983 830
01/04/2015	9 483	9 207	7 227	776 124

Daily	High <i>(cents per share)</i>	Low <i>(cents per share)</i>	Value <i>(Rand million)</i>	Volume
March				
31/03/2015	9 417	9 000	25 053	2 697 075
30/03/2015	9 050	8 911	9 897	1 100 001
27/03/2015	9 048	8 879	4 611	515 042
26/03/2015	9 287	8 923	3 385	372 529
25/03/2015	9 389	9 056	3 788	410 635
24/03/2015	9 449	9 113	4 783	519 123
23/03/2015	9 431	9 220	2 514	269 332
20/03/2015	9 201	8 856	10 357	1 137 519
19/03/2015	9 056	8 861	3 497	389 204
18/03/2015	9 000	8 656	4 795	539 034
17/03/2015	8 969	8 440	9 380	1 079 038
16/03/2015	8 580	8 345	4 585	544 068
13/03/2015	8 580	8 425	3 246	382 181
12/03/2015	8 545	8 345	8 127	960 634
11/03/2015	8 581	8 376	7 974	939 100
10/03/2015	8 871	8 517	5 200	603 057
09/03/2015	8 988	8 788	2 505	282 338
06/03/2015	9 226	8 890	3 869	425 402
05/03/2015	9 034	8 800	10 220	1 143 443

INFORMATION ON BARLOWORLD DIRECTORS AND DIRECTORS OF ITS MAJOR SUBSIDIARIES

The details of Directors are set out below:

Name	Designation	Business address
Dumisa Buhle Ntsebeza	Independent non-executive Director Chairman	Victoria Mxenge Group of Advocates, Sandown Office Village Park, West Court, First Floor, 81 Maude Street Corner Gwen Lane, Sandton, 2196
Neo Phakama Dongwana	Independent non-executive Director	PO Box 688, Northlands, 2116
Frances Ngozichukwuka		
Oluwatoyin Edozien	Independent non-executive Director	InVivo Partners – 162 Bamgbose Street, Onikan, Lagos, Nigeria
Alexander Gordon Kelso Hamilton	Independent non-executive Director	180 Katherine Street, Sandton, 2196
Alexander Landia	Independent non-executive Director	Lambert Energy Advisory Ltd, 17 Hill Street, London W1J5LJ, UK
Sibongile Susan Mkhabela	Independent non-executive Director	Nelson Mandela Children's Fund, 27 Eastwold Way, Saxonwold, 2196
Babalwa Ngonyama	Independent non-executive Director	PO Box 76468, Wendywood, 2144
Sango Siviwe Ntsaluba	Independent non-executive Director	Building 4, Parc Nicol, 3001 William Nicol Drive, Bryanston
Steven Bernard Pfeiffer	Independent non-executive Director	Fulbright & Jaworski LLP, 801 Pennsylvania Avenue, NW, Washington DC, USA, 20004
Oupa Isaac Shongwe	Non-independent non-executive Director	Suite 15, 2nd Floor, Katherine and West 114 West Street, Sandton
Clive Bradney Thomson	Chief Executive	180 Katherine Street, Sandton, 2196
Donald Gert Wilson	Finance Director	180 Katherine Street, Sandton, 2196
Peter John Blackbeard	Chief Executive Officer: Power Systems southern Africa, Iberia, Russia and Handling	Barloworld Handling, Ground Floor Statesman House, Stafferton Way Maidenhead, SL6 1AD, UK
Peter John Bulterman	Chief Executive Officer: Southern Africa, Iberia and Russia	180 Katherine Street, Sandton, 2196
Dominic Malentsha Sewela	Chief Executive Officer: Equipment southern Africa	180 Katherine Street, Sandton, 2196

Non-executive Directors

Advocate Dumisa Buhle Ntsebeza SC

Chairman

Age: 65. Nationality: South African

Qualifications: BA, BProc, LLB, LLM
(International Law)

Dumisa was appointed to the Barloworld board in May 1999. He is an advocate of the High Court of South Africa and a member of the Johannesburg Bar. In 2005 he was conferred the status of silk and was the first black African advocate in the history of the Cape Bar to receive this recognition. He served as a commissioner on the Truth and Reconciliation Commission and has been appointed from time to time as acting judge of the High Court of South Africa. On 1 July 2009 Dumisa was appointed to serve on the Judicial Services Commission (JSC).

Neo Phakama Dongwana

Age: 43. Nationality: South African

Qualifications: BCom (Hons), CA(SA)

Neo was appointed to the Barloworld board in May 2012. Neo was the first black female to be placed in the top 10 of the Part II Qualifying Examination for Chartered Accountants in 1998. She was the first female partner in the Cape Town office of Deloitte & Touche and the second black African female partner in the South African practice. She is a non-executive director of Anglovaal Industries Limited, MPact Limited, SABSA Holdings Proprietary Limited and Mutual and Federal Insurance Company Limited.

Frances Ngozichukwuka Oluwatoyin Edozien

Age: 50. Nationality: Nigerian

Qualifications: BA Social Studies, MBA,
MA (Cambridge)

Ngozichukwuka was appointed to the Barloworld board in March 2014. She is the chief executive officer and managing partner of InVivo Partners Limited and a non-executive director of PZ Cussons Plc, Diamond Bank PLC, Pagatech and the Vlisco Group. Ngozichukwuka was formerly chief executive officer of Actis West Africa, founding chief executive officer of EVHA, and regional director for Pfizer Inc in Anglophone East, West and Central Africa. She is a member of the Young President's Organization and African Leadership Network Advisory Council.

Alexander Gordon Kelso Hamilton

Age: 69. Nationality: British

Qualifications: MA (Cantab), FCA

Gordon was appointed to the Barloworld board in January 2007. He retired in 2006 after a career of more than 30 years as a partner of the UK practice of Deloitte & Touche LLP. He is a non-executive director of Petra Diamonds Limited, Nedbank Private Wealth Limited and Lloyd's underwriter Atrium Underwriters Limited. He served previously as non-executive director of the UK listed Lloyds underwriter Beazley Plc.

Alexander Landia

Age: 52. Nationality: German

Qualifications: PhD Mathematics, Diploma in Mathematics

Alexander was appointed to the Barloworld board on 1 October 2013. He serves as a non-executive director of OJSC SUEK and as a director of Lambert Energy Advisory in London, a leading oil and gas advisory house. He co-founded Bernotat & Cie in Essen, a professional mentoring company for the upper management level. He was previously Global Gas Lead Partner at Accenture.

Sibongile Susan Mkhabela

Age: 58. Nationality: South African

Qualifications: BA Social Work (Hons), Dip Business Management, MAP

Sibongile was appointed to the Barloworld board in January 2006. She is the chief executive officer of the Nelson Mandela Children's Fund and Nelson Mandela Children's Hospital Trust. She is currently the Chairperson of Black Sash and previously served as director for programmes and projects at the office of then deputy president Thabo Mbeki. She previously held senior positions at UNDP, UNEP and SA Council of Churches and is a Joel L. Fleishman Civil Society Fellow (Duke University, North Carolina).

Babalwa Ngonyama

Age: 40. Nationality: South African

Qualifications: BCom (Accounting) CA(SA), MBA, HDip (Banking Law)

Babalwa was appointed to the Barloworld board in May 2012. She is the chief executive officer of Sinayowetu Trading Enterprise, a non-executive director and member of the audit committee of Implats Limited. Babalwa was formerly chief financial officer of Safika Holdings, group chief internal auditor of Nedbank Limited and a former audit partner in Deloitte's Financial Institutions Services Team division. Babalwa was the founding chairman of African Women Chartered Accountants.

Sango Siviwe Ntsaluba

Age: 54. Nationality: South African

Qualifications: BCom, BCompt (Hons), CA(SA), HDip Tax Law

Sango was appointed to the Barloworld board in July 2008. He is the executive chairman of the Amabubesi Group and a founder member of Sizwe Ntsaluba Gobodo, the largest black owned consulting, accounting and auditing practice in South Africa.

Steven Bernard Pfeiffer

Age: 68. Nationality: American

Qualifications: BA, MA (Oxon), JD (Yale)

Steven was appointed to the Barloworld board in August 2001. He is a partner and the former elected chair of the executive committee of Fulbright & Jaworski LLP, a USA legal firm now part of the global firm Norton Rose Fulbright. He is a non-executive director of Iridium Communications Inc, chairman emeritus of Wesleyan University in Middletown, Connecticut, USA, a trustee of The Africa-America Institute in New York, a director of Project HOPE in Washington, DC and a trustee of the NAACP Legal Defence Fund in New York.

Oupa Isaac Shongwe (non-independent)

Age: 52. Nationality: South African

Qualifications: BA (Hons), MPhil (Oxon)

Isaac joined Barloworld Logistics Africa as executive director for business development and transformation in 2005. He was appointed to the Barloworld board and chief executive officer of Barloworld Logistics Africa in January 2007, chief executive officer of the Barloworld Logistics division in January 2009, followed by director for human resources, strategy and sustainability on 1 May 2011. On 31 May 2014 Isaac relinquished his executive management responsibilities and became a non-executive director of Barloworld Limited effective 1 June 2014.

Executive Directors

Clive Bradney Thomson

Chief executive

Age: 48. Nationality: South African

Qualifications: BCom (Hons), MPhil (Cantab), CA(SA)

Clive joined Barloworld in 1997 and was appointed to the Barloworld board in 2003 as finance director. He was subsequently appointed as chief executive officer of the Equipment division and then as chief executive officer of Barloworld on 18 December 2006. Previously he was a partner at Deloitte. In 1993 he completed his Master of Philosophy Degree at Cambridge University, England in the Economics and Politics of Development. Clive is a member of Council at St Stithians College and Chairman of the Finance Committee.

Donald Gert Wilson

Finance director

Age: 58. Nationality: South African

Qualifications: BCom, CTA, CA(SA)

Don rejoined Barloworld as finance director in 2006 and was appointed to the Barloworld board in September 2006. Previously he was executive director – Finance at Sappi Limited.

Peter John Blackbeard

Chief executive officer: Power Systems
 Southern Africa, Iberia, Russia and Handling
 Age: 57. Nationality: South African
 Qualifications: BSc Eng (Mech) (Hons), Dip Business Management

John joined Barloworld in 1996 and was appointed to the Barloworld board in 2004. He was previously chief operating officer of PPC. He was chief executive officer of the Scientific division prior to disposal of that business and in 2007 he was appointed chief executive officer of Barloworld Handling (formerly Barloworld Industrial Distribution). John was appointed chief executive officer of Barloworld Global Power on 1 October 2013.

Peter John Bulterman

Chief executive officer: Equipment
 Southern Africa, Iberia and Russia
 Age: 59. Nationality: South African
 Qualifications: HDip Mechanical Engineering

Peter joined Barloworld in 1975 and was appointed to the Barloworld board on 1 October 2009. He was appointed chief executive officer of the Equipment division comprising the southern Africa, Russian and Iberian territories on 1 October 2013. He is chairman of Barloworld Equipment UK.

Dominic Malentsha Sewela

Chief executive officer: Equipment Southern Africa
 Age: 49. Nationality: South African
 Qualifications: BSc Chemical Engineering

Dominic was appointed to the Barloworld board in March 2014. He re-joined Barloworld in 2007 as chief executive officer to the Barloworld Equipment South Africa. Subsequently, combined with his role in 2009, he was appointed chairman and executive director of the Equipment division in Angola, Botswana and Namibia and in 2010, chairman and executive director of Barloworld Power southern Africa. Dominic was promoted to chief operating officer of Barloworld Equipment southern Africa and in 2014 was promoted to chief executive officer of Equipment southern Africa. Prior to joining Barloworld, Dominic was deputy managing director of Afgri Limited.

The details of the Directors of Barloworld's major subsidiaries are set out below:

Name	Designation	Business address
Neo Phakama Dongwana	Director	PO Box 688, Northlands, 2116
Matthew Govender	Director	180 Katherine Street, Sandton, Johannesburg, 2146
Emmanuel Leeka	Director	180 Katherine Street, Sandton, Johannesburg, 2146
Gale Antonette Lemmert	Director	6 Anvil Road, Isando, Johannesburg, 1600
Boikanyo Johanna Mazibuko	Director	136 Main Reef Road, Boksburg, Johannesburg, 1460
Sibani Mngomezulu	Director	180 Katherine Street, Sandton, Johannesburg, 2146
Sameshan Yanasegran Moodley	Director	180 Katherine Street, Sandton, Johannesburg, 2146
Litha Carl Nkombisa	Director	6 Anvil Road, Isando, Johannesburg, 1600
Dominic Malentsha Sewela	Director	180 Katherine Street, Sandton, Johannesburg, 2146
Clive Bradney Thomson	Director	180 Katherine Street, Sandton, Johannesburg, 2146
Donald Gert Wilson	Director	180 Katherine Street, Sandton, Johannesburg, 2146

Neo Phakama Dongwana, Dominic Malentsha Sewela, Clive Bradney Thomson and Donald Gert Wilson are directors of both Barloworld Limited and Barloworld's major subsidiary, Barloworld South Africa Proprietary Limited. Their details are set out under Barloworld Limited on pages 42 to 45.

Matthew Govender

Director

Age: 51. Nationality: South African

Qualifications: Dip Business Management, MBA

Matthew has been an employee of Barloworld for more than 14 years. He is currently Managing Director of Barloworld Siyakhula, a position he has held since 2005 and also the Executive for Empowerment and Transformation. He has also serves on several boards including the chairmanship of the South African Supplier Diversity Council (funded by the US Government) and also chairs the boards in the companies supported by Barloworld Siyakhula.

Emmanuel Leeka

Director

Age: 45. Nationality: South African

Qualifications: B.Sc Engineering Metallurgy and Materials, Post Grad Diploma (Business Administration)

Emmy was appointed CEO of Barloworld Equipment South Africa effective 1 October 2012. He has nineteen years' experience in the base metals, ferrous and industrial minerals sector, which experience includes general operations management and maintaining a high level strategic liaison with specific government officials both in South Africa and abroad. Emmy was previously the CEO of Herculite Ferrochrome (Pty) Ltd, Senior Plant Metallurgist at Anglo American Corporation and General Manager of the Thabazimbi Mine at Kumba Iron Ore Ltd.

Gale Antonette Lemmert

Director

Age: 50. Nationality: South African

Qualifications: BA LLB, MBA

Gale was appointed as an Executive at Barloworld Automotive effective 1 November 2008 and currently holds the position of Executive: Sustainable Development. Gale has extensive experience in the fields of strategy, transformation and sustainability. This experience was gained over a number of years in both the parastatal and private sectors in South Africa.

Boikanyo Johanna Mazibuko

Director

Age: 38. Nationality: South African

Qualifications: BSc Engineering (Chemical), MBA

Boikanyo was appointed Deputy CE of Barloworld Handling South Africa effective 1 September 2013. She has fifteen years' experience in various industries including research, FMCG, engineering and construction, which experience includes process engineering, liaising with shareholders and general operations management. Boikanyo was previously the general manager and executive director of Bateman Africa (Pty) Ltd, Plant Operations Executive and director at Aveng E+PC before joining Barloworld.

Sibani Mngomezulu

Director

Age: 43. Nationality: South African

Qualifications: LL.M, H. Dip. Company Law, H. Dip. Tax

Sibani was appointed the Group Executive: Human Resources, Strategy & Sustainability, on 1 June 2014. Previously he was CEO of EMD Africa, a joint venture company between Caterpillar-owned EMD and Barloworld offering rail products and services. Prior to taking up the position at EMD Africa, Sibani was an executive at Barloworld for a number of years. He previously occupied the roles of Head of Corporate Affairs and Group Company Secretary. Prior to joining Barloworld, Sibani worked for investment banks including Merrill Lynch, Cazenove and JP Morgan where he was involved in advising on local and cross-border mergers & acquisitions.

Sameshan Yanasegran Moodley

Director

Age: 37. Nationality: South African

Qualifications: CA(SA), ACMA, (CIMA,UK), CIA, CISA

Sam was appointed by Barloworld as a Group General Manager: Finance, effective 15 June 2013. Prior to this appointment, he had joined Barloworld on 1 October 2010 as the Head of Group Internal Audit Services. Sam has over 13 years' experience in Finance, Internal Audit, Risk Management, Internal Control, Revenue Assurance Forensics Services and Fraud Management.

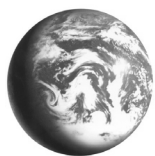
Litha Carl Nkombisa

Director

Age: 47. Nationality: South African

Qualifications: BComm, Postgraduate Certificate in Advanced Taxation, MDP

Litha joined the Barloworld group on 1 October 2007 when he was appointed Chief Executive of Barloworld Motor Retail. On 28 February 2012 he was appointed as a Barloworld Automotive & Logistics Executive. He has a diverse business experience in banking, financial services and the motor industry spanning a period of more than 22 years. Litha is formerly Head, BEE Portfolio with Nedbank Corporate. He also has intimate knowledge of the motor industry having spent time at BMW Finance in Munich, Germany, in their International Marketing and International Risk divisions. He also worked for BMW Finance South Africa as a Risk Manager.



Barloworld

Leading brands

Barloworld Limited

(Incorporated in the Republic of South Africa)

(Registration number 1918/000095/06)

Share code: BAW ISIN: ZAE000026639

Share code: BAWP ISIN: ZAE000026647

("Barloworld" or "the Company")

NOTICE OF GENERAL MEETING

*The definitions and interpretation commencing on page 4 of the Circular to which this Notice of General Meeting is attached ("**Circular**") apply, mutatis mutandis, to this Notice of General Meeting.*

Notice is hereby given to Barloworld Ordinary and Preference Shareholders that a General Meeting of Barloworld Ordinary and Preference Shareholders will be held in the Tokyo Meeting Room, Barloworld Corporate Office, 180 Katherine Street, Sandton at 12:00 on 19 June 2015 for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF AMENDMENTS TO THE INITIAL SUBSCRIPTION AGREEMENTS, THE MATURITY DATE SUBSCRIPTION AGREEMENTS, THE REVERSIONARY CESSION AGREEMENTS AND THE REVERSIONARY PLEDGE AND CESSION AGREEMENTS

"RESOLVED THAT the amendments to the Initial Subscription Agreements, the Maturity Date Subscription Agreements, the Reversionary Cession Agreements and the Reversionary Pledge and Cession Agreements, as set out in the addenda to those agreements, referred to in paragraphs 4.3.1 and 4.3.2 of the Circular, be and are hereby approved."

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by Shareholders present or represented by proxy at the General Meeting and entitled to exercise voting rights on the resolution is required. The Funding SPVs of the B-BBEE Participants and their Associates may not vote on this resolution, as required by the Listings Requirements of the JSE.

ORDINARY RESOLUTION NUMBER 2 – APPROVAL OF AMENDMENTS TO THE RELATIONSHIP AGREEMENTS AND THE PLEDGE AND CESSION AGREEMENTS

"RESOLVED THAT the amendments to the Relationship Agreements and the Pledge and Cession Agreements, as set out in the addenda to those agreements, referred to in paragraph 4.3.3 of the Circular, be and are hereby approved."

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by Shareholders present or represented by proxy at the General Meeting and entitled to exercise voting rights on the resolution is required. The Funding SPVs of the B-BBEE Participants and their Associates may not vote on this resolution, as required by the Listings Requirements of the JSE.

ORDINARY RESOLUTION NUMBER 3 – SPECIFIC AUTHORITY TO ISSUE THE ADDITIONAL SHARES FOR CASH

"RESOLVED THAT the issue of 450 000 new Barloworld ordinary shares of 5 cents each in the Company to the Shareholder SPVs of the B-BBEE Participants at R0.05 per ordinary share, i.e. at approximately a 99.95% discount to Barloworld's 30 day VWAP, referred to in paragraph 4.2.4.1 of the Circular, upon the terms and subject to the conditions set out in the Additional Share Subscription Agreements referred to in paragraph 4.3.4 of the Circular, be and is hereby approved."

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by Shareholders present or represented by proxy at the General Meeting and entitled to exercise voting rights on the resolution is required. The Funding SPVs and the Shareholder SPVs (including Izingwe Capital) of the B-BBEE Participants and their Associates may not vote on this resolution, as required by the Listings Requirements of the JSE.

ORDINARY RESOLUTION NUMBER 4 – GENERAL AUTHORITY OF DIRECTORS

“RESOLVED THAT insofar as such authority may be necessary, any Director or the company secretary be and is hereby authorised to do all such things and sign all such documentation as are necessary to give effect to such of resolutions numbers 1 to 3 set out above as are passed at the General Meeting.”

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by Shareholders, present or represented by proxy at the General Meeting and entitled to exercise voting rights on the resolution is required.

CERTIFICATED SHAREHOLDERS/DEMATERIALIZED SHAREHOLDERS WITH “OWN-NAME” REGISTRATION

Certificated Shareholders and Dematerialised Shareholders with “own-name” registration may attend, speak and vote at the General Meeting or are entitled to appoint a proxy or more than one proxy to attend, speak and vote in their stead.

Registered holders of certificated 6% non-redeemable cumulative preference shares (“**Preference Shares**”) and holders of dematerialised Preference Shares with “own-name” registration may attend the General Meeting but may not vote on any resolutions proposed thereat.

ANY PERSON APPOINTED AS A PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY

Proxy forms should be forwarded to reach any of the Transfer Secretaries, namely Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg 2000), Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL, England or Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiser Krone Centre, Post Street Mall, Windhoek, Namibia, by not later than 12:00 (South African local time) on 17 June 2015.

DEMATERIALIZED SHAREHOLDERS

Shareholders who have dematerialised their shares through a CSDP or Broker, and who have not elected “own-name” registration and wish to attend the General Meeting, should timeously inform their CSDP or Broker of their intention to attend the meeting and request such CSDP or Broker to issue them with the necessary authority to attend. If they do not wish to attend the General Meeting, they may provide such CSDP or Broker with their voting instructions.

VOTING RIGHTS

The Shareholders are entitled to vote on all of the resolutions set out above. On a show of hands, every Shareholder who is present in person or in proxy will have one vote (irrespective of the number of Shares held in the Company) and, on a poll, every Shareholder will have one vote for every Share held or represented. The holders of the Preference Shares are not entitled to vote on any of the resolutions set out above.

IDENTIFICATION

In terms of section 63(1) of the Companies Act, any person attending or participating in the General Meeting must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of any person to participate in and vote, whether as a shareholder or a proxy for a shareholder, has been reasonably verified. Acceptable forms of identification include valid identity documents, drivers’ licences and passports.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should any shareholder (or a proxy for a shareholder) wish to participate in the General Meeting by way of electronic participation, that shareholder should make an application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate to any of the Transfer Secretaries, at their address above, to be received by the Transfer Secretaries at least 5 business days prior to the General Meeting for the Transfer Secretaries to arrange for the shareholder (or its representative

or proxy) to provide reasonably satisfactory identification to the Transfer Secretaries for the purposes of section 63(1) of the Companies Act and for the Transfer Secretaries to provide the shareholder (or its representative or proxy) with details on how to access any electronic participation to be provided. The Company reserves the right not to provide for electronic participation at the meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the Company.

By order of the Board

LP Manaka

Company Secretary

Registered office

180 Katherine Street
Sandton
(PO Box 782248, Sandton, 2146)

Transfer secretaries

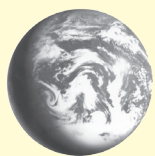
Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Transfer secretaries (Namibia)

Transfer Secretaries Proprietary Limited
(Registration number 93/713)
Shop 8, Kaiser Krone Centre, Post Street Mall
Windhoek, Namibia
(PO Box 2401, Windhoek, Namibia)

United Kingdom Registrars

Equiniti Limited
Aspect House
Spencer Road, Lancing
West Sussex BN99 6DA
United Kingdom



Barloworld

Leading brands

Barloworld Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1918/000095/06)
 Share code: BAW ISIN: ZAE000026639
 Share code: BAWP ISIN: ZAE000026647
 ("Barloworld" or "the Company")

FORM OF PROXY

The definitions and interpretation commencing on page 4 of this Circular to which this form of proxy is attached ("**Circular**") apply, *mutatis mutandis*, to this Form of Proxy which is attached to, and forms part of, the Circular.

For use only by Certificated Shareholders and Dematerialised Shareholders with "own-name" Registration at the General Meeting of Barloworld Shareholders, to be held in the Tokyo Meeting Room, Barloworld Corporate Office, 180 Katherine Street, Sandton at 12:00 on 19 June 2015.

I/We (full names) _____

of (address) _____

Telephone number () _____

Cellphone number _____

email address _____

being the holder(s) of Barloworld Shares

do hereby appoint (see note 1):

1. _____ of _____ or failing him/her

2. the Chairman of the General Meeting,

as my/our proxy to act for me/us and on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the Barloworld Shares registered in my/our name(s), in accordance with the following instructions (see note 2):

	For	Against	Abstain
Ordinary Resolution Number 1 – Approval of Amendments to the Initial Subscription Agreements, the Maturity Date Subscription Agreements, the Reversionary Cession Agreements and the Reversionary Pledge and Cession Agreements			
Ordinary Resolution Number 2 – Approval of amendments to the Relationship Agreements and the Pledge and Cession Agreements			
Ordinary Resolution Number 3 – Specific Authority to issue the Additional Shares for cash			
Ordinary Resolution Number 4 – General Authority of Directors			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Barloworld Shares than you own, insert the number of Barloworld Shares held in respect of which you desire to vote (see note 9).

Signed at _____ on _____ 2015

Signature _____

Assisted by me (where applicable) _____

Each Shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting. On a show of hands every Shareholder who is present in person or by proxy will have one vote (irrespective of the number of Shares held in the Company) and, on a poll, every Shareholder will have one vote for every Share held or represented.

PLEASE READ THE NOTES ON THE REVERSE SIDE OF THIS FORM OF PROXY.

Instructions on signing and lodging of the Form of Proxy

1. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.
2. The chairman shall be entitled to decline to accept the authority of a signatory:
 - (a) under a power of attorney; or
 - (b) on behalf of a company,unless the power of attorney or authority is deposited with any of the Transfer Secretaries, namely Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg 2000), Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL, England or Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiser Krone Centre, Post Street Mall, Windhoek, Namibia, by not later than 12:00 (South African local time) Wednesday 17 June 2015.
3. The signatory may insert the name of any persons(s) whom the signatory wishes to appoint as his/her proxy in the blank space/s provided for that purpose.
4. When there are joint holders of Shares and if more than one such joint holder be present or represented, then the person whose name appears first in the securities register in respect of such Shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
5. The completion and lodging of this Form of Proxy will not preclude the signatory from attending the General Meeting and speaking and voting in person thereat should such person wish to do so, to the exclusion of any proxy appointed in terms hereof.
6. If, in the appropriate place on the face of the Form of Proxy, there is no indication of how to vote in respect of any resolution, the proxy shall be entitled to vote as he/she deems fit in respect of that resolution.
7. The chairman of the General Meeting may reject or accept any Form of Proxy which is completed other than in accordance with these instructions, provided that in the event of acceptance, he/she is satisfied as to the manner in which a Shareholder wishes to vote.
8. If the shareholding is not indicated on the Form of Proxy, the proxy will be deemed to be authorised to vote all the Shares registered in the Shareholder's name.
9. Please insert an "X" in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Shares than you own in the Company, insert the number of Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all of the Shareholder's votes exercisable at the meeting. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
10. A Form of Proxy sent by electronic medium to the company secretary or any of the Transfer Secretaries within the time allowed for submission shall be deemed to constitute an instrument of proxy.
11. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the company secretary or waived by the chairman of the General Meeting.
12. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company secretary.

Summary in terms of section 58(8)(b)(i) of the Companies Act, 2008 (as amended)

Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008 (as amended), which summary is set out below:

- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may not delegate the proxy's authority to act on behalf of the shareholder to another person.
- A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing.
- A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.