Prospectus

This Prospectus relates to an invitation to Black People and Black Groups to subscribe for up to 16 340 000 ordinary shares in Khula Sizwe at R10 per Khula Sizwe Share.

The minimum subscription required for participation by an Applicant in the Public Offer is 250 Khula Sizwe Shares, which amounts to a minimum subscription payment of R2 500.00.

The Public Offer is seeking to raise in aggregate a total equity amount of R163.4 million (the Target Equity Raise). If the total equity raised through the Public Offer is less than R120 million (the Minimum Subscription Amount), then the Public Offer will not be implemented. [Reg 54(3)(b)]

If the total equity raised in the Public Offer is equal to or greater than R120 million but below R163.4 million, the Public Offer will be deemed successful and the difference will be subscribed for by the Management Trust. [Reg 54(3)(b)]

The Public Offer opens at 09:00 on Wednesday, 10 April 2019 and closes at 16:00 on Friday, 31 May 2019.

Date of issue: Wednesday, 10 April 2019
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Important information  
Important dates and times for the Public Offer  
An overview of the application process  
An overview of the Public Offer  
Definitions and interpretations  

**Prospectus**

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Section 1: Information about Khula Sizwe  
Section 2: Information about the Public Offer  
Section 3: Statements and reports relating to the Public Offer  
Section 4: Additional material information  
Section 5: Inapplicable or immaterial matters  

**Annexure 1:**  Reproduction of the independent property valuers report to the Barloworld directors dated 7 December 2018  
**Annexure 2:**  Extracts from the Khula Sizwe MOI  
**Annexure 3:**  Independent registered auditors' report on Khula Sizwe historic financial information  
**Annexure 4:**  Financial information  
**Annexure 5:**  Independent registered auditors' report on financial information  
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**Annexure 7:**  FICA supporting documents required for Black People and Black Groups  
**Annexure 8:**  Appointment of authorised representative
IMPORTANT INFORMATION

Capitalised terms used in this Prospectus have been defined on pages 17 to 26. This Prospectus is addressed only to persons in South Africa, and does not constitute an offer or invitation to subscribe in, into or from, or capable of acceptance in, any jurisdiction other than in South Africa.

FORWARD-LOOKING STATEMENTS

Some statements in this Prospectus are forward-looking and involve risks and uncertainties. These generally include, but are not limited to, terminology such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate” and “believe”. These include statements regarding amongst others the future financial position, prospects, growth in markets, projected costs, estimates of capital expenditures and plans and objectives of management for the future operation of Khula Sizwe and/or Barloworld. The actual performance could differ materially from these forward-looking statements.

Because many factors, including the risk factors referred to in this Prospectus, could cause the actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus, do not place undue reliance on these forward-looking statements. Further, any forward-looking statement speaks only as at the date on which it is made, and neither the Company nor Barloworld undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or to advise any person of such changes, except where required to do so by law. New factors may emerge in the future, and it is not possible for Barloworld and/or the Company to predict and list such factors. In addition, Barloworld and/or the Company cannot assess the effect of each factor on their respective businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

PROSPECTUS COMPLIES WITH THE COMPANIES ACT

This Prospectus complies with section 100 of the Companies Act and Parts B and C of Chapter 4 of the Companies Regulations. The written consents of the experts and advisers set out in the “Corporate Information and Advisers” Section of this Prospectus have been attached to the copy of the Prospectus filed with CIPC. Each of the aforementioned experts and advisers have consented to the use of any statement made by them in this Prospectus and/or the use of their names in this Prospectus, as the case may be, and have not withdrawn such consents as at the date of this Prospectus. The number of each applicable regulation of the Companies Regulations is given in square brackets after appropriate headings or sub-headings.

IMPORTANT LEGAL INFORMATION

This Prospectus constitutes an offer to the Black Public only and has been prepared for the purposes of complying with the Companies Act and the Company Regulations published in terms thereof and the information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Prospectus in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Prospectus and any accompanying documentation is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities in any jurisdiction in which it is illegal to make such an offer, invitation or solicitation, or such offer, invitation or solicitation would require the Company to comply with filing and/or other regulatory obligations. In those circumstances this Prospectus and any accompanying documentation are sent for information purposes only and should not be copied or redistributed.

OBTAINING COPIES OF THIS PROSPECTUS

Copies of this Prospectus may be obtained from 09:00 on Wednesday, 10 April 2019 until 16:00 on Friday, 31 May 2019 from:

Electronic copies:

• the Khula Sizwe website on www.barloworldkhulasizwe.com
Physical copies during normal business hours from 09:00 until 16:00, from:
- **Gauteng:**
  - Velocity Trade: Corner 2 Payne Road and Main Office Park, Bryanston, Johannesburg, South Africa; and
- **Western Cape:**
  - Velocity Trade: 1st Floor, 200 on Main, 200 Main Road, Claremont, Cape Town, South Africa.

Unless permitted otherwise, physical copies will be limited to 1 per person.

Due to logistical constraints, the Company cannot guarantee that physical copies of this Prospectus will be available at all times at the above locations. You can also download copies of this Prospectus from the Khula Sizwe website at [www.barloworldkhulasizwe.com](http://www.barloworldkhulasizwe.com).

<table>
<thead>
<tr>
<th>Application Process</th>
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</thead>
<tbody>
<tr>
<td><strong>Step 1 Completing the Application Form</strong></td>
</tr>
<tr>
<td>Applicants who wish to apply for Khula Sizwe shares as part of the Public Offer can apply using the following options:</td>
</tr>
<tr>
<td>1.1. <strong>Online:</strong> Applicants may visit the website on <a href="http://www.barloworldkhulasizwe.com">www.barloworldkhulasizwe.com</a> to create an investor profile and complete the Application Form online. After your Investor Profile has been created you will receive an SMS with a unique <strong>Investor Number</strong> (KS#) which must thereafter be used with respect to all communications with Khula Sizwe; or</td>
</tr>
<tr>
<td>1.2 <strong>Call Centre:</strong> Applicants may call the Call Centre on 0800 233 733 (toll-free number) to create an Investor Profile and complete the Application Form. After your investor profile has been created you will receive an SMS with a unique <strong>Investor Number</strong> (KS#) which must thereafter be used with respect to all communications with Khula Sizwe; or</td>
</tr>
<tr>
<td>1.3 <strong>Walk-in Centres:</strong> Applicants may visit a walk-in centre located at any of the addresses listed below, where an agent will assist you in completing the Application Form electronically and provide direction on how to submit the relevant supporting documents. After your Investor Profile has been created you will be sent an SMS with a unique <strong>Investor Number</strong> (KS#) which must thereafter be used with respect to all communications with Khula Sizwe.</td>
</tr>
<tr>
<td>1.3.1. <strong>Gauteng:</strong></td>
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<td>1.3.1.1. Velocity Trade: Corner 2 Payne Road and Main Office Park, Bryanston, Johannesburg, South Africa; and</td>
</tr>
<tr>
<td>1.3.2. <strong>Western Cape:</strong></td>
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<tr>
<td>1.3.2.1. Velocity Trade: 1st Floor, 200 on Main, 200 Main Road, Claremont, Cape Town, South Africa</td>
</tr>
<tr>
<td>Application Process</td>
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</table>
| **Step 2**  
**Submitting the required supporting documentation** |
| In addition to completing the Application Form, each Applicant will be required to submit various supporting documents including the following: |
| **Black Individuals** |
| • Copy of South African ID;  
• Proof of physical address; and  
• Proof of banking details (bank statement or confirmation letter on a bank letterhead). |
| **Black Individuals Younger than 18 years old** |
| • Copy of birth certificate or South African ID;  
• Proof of physical address (or an affidavit declaring that the minor shares the same address as the guardian);  
• Proof of banking details in the minor's name;  
• Copy of South African ID of guardian; and  
• Proof of address of the guardian. |
| **Black Groups (Companies and Close Corporations) with revenue less than R50 million** |
| • CoR Forms (Companies)/ CK Forms (Close Corporations);  
• Copies of South African ID for all the directors/members of the group;  
• Proof of banking details;  
• Proof of physical address; and  
• An affidavit confirming the Black ownership percentage of the group and supporting documents for the Black Ownership as per Annexure 7. |
| **Black Groups (Companies and Close Corporations) with a revenue in excess of R50 million or listed on a stock exchange:** |
| • CoR Forms (companies) / CK Forms (Close Corporations);  
• Copies of South African ID for all the directors/members of the group;  
• Proof of banking details;  
• Proof of physical address; and  
• BEE Ownership Certificate. |
| **Black Groups (Stokvels and other unincorporated entities)** |
| • South African ID for all the members of the group;  
• Proof of banking details;  
• Proof of address of authorised representative; and  
• BEE Ownership Certificate; or  
• An affidavit confirming the Black ownership percentage of the group and supporting documents for the Black Ownership as per Annexure 7. |
| Depending on the application option followed, you will be directed to either: |
| • Upload the supporting documents on the website [www.barloworldkhulasizwe.com](http://www.barloworldkhulasizwe.com); or  
• Email the supporting documents to applications@barloworldkhulasizwe.com; or  
• Bring along supporting documents at any of the Walk-in Centres as per the addresses listed in step 1.3 of this table, where an agent will assist you with either uploading same or sending them by email. |
| • The Company will be entitled to request additional information as part of its FICA and/or verification process. |
| **Step 3**  
**Validation of supporting documentation** |
| 1. Once all the required documentation has been successfully submitted, you will receive a notification via SMS;  
2. Khula Sizwe will begin verifying the supporting documentation submitted, to ensure it is valid for the purposes of the Public Offer;  
3. The validation process could take up to 72 hours from the time all supporting documents have been submitted (in certain cases, this period may be slightly longer depending on the volume of applications);  
4. Once the validation process has been completed, you will receive notification via SMS indicating whether your supporting documents have been successfully validated or not;  
5. Should the validation process have been successful, you will be notified via SMS;  
6. Should the validation process have been unsuccessful, you will be notified via SMS. The notification will include instructions on what is required to successfully validate your application. The correct supporting documentation and payment has to be submitted before the Public Offer Closing Date in order for you to participate in the Public Offer. |
<table>
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<tr>
<th><strong>Application Process</strong></th>
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<tr>
<td><strong>Step 4</strong>&lt;br&gt;Paying for the shares you have applied for</td>
</tr>
<tr>
<td>7. Once Applicants have correctly completed the Application Form and all the required supporting documentation has been successfully validated, they will receive an SMS with the Public Offer payment details.</td>
</tr>
<tr>
<td>8. You need to pay for the Khula Sizwe Shares you have applied for using the unique <strong>Investor Number (KS#)</strong> number provided to you as a reference. Should you wish to apply for additional shares, you can pay for these additional shares, using the same unique <strong>Investor Number (KS#)</strong> provided to you to complete the first payment. All payments should be made before 16:00 on Friday, 31 May 2019.</td>
</tr>
</tbody>
</table>
| 9. The following payment methods are acceptable:  
  - Payment via EFT  
  - Payment via EFT through a bank branch  
  - Direct cash deposit  
  
  Should you not be in a position to complete a payment via EFT on your own, you may visit your bank to get assistance in completing an EFT payment at the bank branch.  
  
  Should neither of the above payment methods be feasible for you, you may make a direct cash deposit at the bank. Cash deposits are limited to R24,999 per person, per deposit. |

**Please use the following banking details:**  
- Account name: Barloworld Khula Sizwe  
- Account number: 1144961408  
- Account type: Current account  
- Bank: Nedbank  
- Branch code: 198765  

Reference: The unique **Investor Number (KS#)** SMSed to you on submission of your Application Form and available on the banking tab of the investor portal. Payment should only be made once you have received confirmation from the company that your supporting documents have been validated.

<table>
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<tr>
<th><strong>If you pay funds into the wrong bank account or use the wrong unique reference number</strong></th>
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</thead>
</table>
| It is your responsibility to make sure that you use the correct unique Investor Number (KS#) when making payment as well as making sure that you pay into the correct bank account.  
  1. If you (or someone on your behalf) transfer funds into the wrong bank account by mistake, these funds may not be recoverable and will not be applied towards the Public Offer.  
  2. If you (or someone on your behalf) use the incorrect unique **Investor Number (KS#)** (a reference number other than the one provided to you via SMS), the transaction could be ineffective due to the funds being unassigned, or the funds deposited could be allocated to the wrong Applicant. You may thus lose your monies or otherwise suffer a loss. |

<table>
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<tr>
<th><strong>If you have had a mistake on your application</strong></th>
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<tbody>
<tr>
<td>3. If you made a mistake when providing your bank account details on the Application Form, you will need to update your bank account details and re-submit your proof of bank account supporting documents.</td>
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</table>

<table>
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<tr>
<th><strong>If your contact details have changed after you have submitted your application</strong></th>
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<tbody>
<tr>
<td>4. If any of your contact details in the Application Form change during or after the close of the Offer Period, you will need to update your contact details online on <a href="http://www.barloworldkhulasizwe.com">www.barloworldkhulasizwe.com</a> or with the assistance of the Call Centre, if required and submit it, together with the necessary supporting documentation.</td>
</tr>
<tr>
<td>Important Dates and Times for the Public Offer</td>
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<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Public Offer Opening Date 09:00</td>
</tr>
<tr>
<td>Public Offer Closing Date 16:00</td>
</tr>
<tr>
<td>Khula Sizwe Shares allocated By no later than</td>
</tr>
<tr>
<td>Sending Khula Sizwe Share confirmations and processing of refunds By no later than</td>
</tr>
</tbody>
</table>

The dates and times of making allocations and processing of refunds and the Public Offer Closing Date are subject to change. Any material changes will be published in the press.
1. WHO CAN APPLY FOR KHULA SIZWE SHARES?

• **Black People:** Black People (African, Coloured and Indian people) who are natural persons and citizens of South Africa by birth or descent; or who are citizens through naturalisation before 27 April 1994 or after that date, but who would have qualified for naturalisation before that date. Minors (i.e. a Black Person below 18 years of age) must be assisted by their parent or legal guardian.

• **Black Groups:** Black Companies and Black Entities, as defined. In summary terms, these are companies or entities (incorporated or unincorporated) established in South Africa and in which Black People own at least 51% of the equity, exercise at least 51% of the voting rights and participate in at least 51% of the economic interests therein, on a flow-through basis.

2. WHEN IS THE OFFER PERIOD?

• The Public Offer opens on Wednesday, 10 April 2019 at 09:00 and closes on Friday, 31 May 2019 at 16:00.

• Any changes to these dates and times (if any) will be published in the press. All times referred to in this Prospectus are South African times.

3. WHO CAN HELP ME FILL OUT THE APPLICATION FORM?

• You may receive assistance with filling in the Application Form by contacting the Call Centre on 0800 233 733 (toll-free number) or by visiting any Walk-in Centre.

4. WHAT DOCUMENTS MUST I SUBMIT WITH MY APPLICATION FORM?

• Please refer to the list of supporting documents contemplated in Step 2 on page 4 of the Prospectus.

• Khula Sizwe is entitled to verify your details (for BEE, FICA and other purposes) and you are obliged to assist in such verification promptly when requested to do so.

5. DO I NEED TO SUBMIT A BEE OWNERSHIP CERTIFICATE?

• Black People (i.e. individuals) who are applying for Khula Sizwe Shares do not need to submit a BEE Ownership Certificate.

• Black Groups generating revenue of less than R50 million per annum, applying for Khula Sizwe Shares do not need to submit a BEE Ownership Certificate, but must submit an affidavit confirming black ownership as well as the supporting documentation confirming such black ownership. Khula Sizwe may request any additional information to verify the level of your black ownership.

• If you are a Black Group generating revenue of more than R50 million per annum or if your company is listed and you are applying for Khula Sizwe Shares, you will need to submit a Valid BEE Ownership Certificate obtained from a Valid BEE Verification Agency as set out in paragraph 6.2.2.4 of Section 2 of this Prospectus; or

• If you are required to deliver a Valid BEE Ownership Certificate and you choose not to or you are unable to do so, you must instead submit the supporting documents to verify your black ownership.

6. CAN I WITHDRAW MY APPLICATION AFTER SUBMITTING IT?

• Applications for Khula Sizwe Shares under the Public Offer are irrevocable and may not be withdrawn once received from or on behalf of an Applicant. If Khula Sizwe issues, registers and publishes a supplement to the Prospectus, applications made prior to the date of issue or publication of the supplement may be withdrawn on written notice to Khula Sizwe (within 20 business days after the date of publication).

• In addition, submitting an Application Form without subsequently making the payment, means that you have not completed the application process. In this instance, you are not required to withdraw your application as you will automatically be disqualified.

AN OVERVIEW OF THE APPLICATION PROCESS
7. WHAT IF I MAKE A MISTAKE WHEN PROVIDING THE DATA REQUIRED TO FILL OUT THE APPLICATION FORM?

- If you make a mistake when providing your bank account or other details on the Application Form (created and submitted through the above channels), and it is picked up by the Share Administration Agent in its verification process, you will be notified and requested to re-submit your account details and supporting details using any of the channels above. Khula Sizwe, Velocity, Barloworld and their respective advisers do not warrant that they will be able to pick up mistakes. It is your responsibility to ensure that the correct details are submitted.

- If any of your contact details in the Application Form (created and submitted through the above channels) change before or after the close of the Offer Period, you will need to update your contact details through the Khula Sizwe website or by calling the Call Centre. You may be required to provide new supporting documentation for the change of details.

8. IF MY APPLICATION IS SUBMITTED, DOES THIS MEAN THAT NO FURTHER INFORMATION IS REQUIRED?

- The complete application process has the following steps (with details set out on page 3 to page 5 of this Prospectus):
  - Complete the Application Form electronically and create an Investor Profile:
    - Through your own electronic access; or
    - As assisted by an agent at the Call Centre; or
    - As assisted by an agent at a Walk-In Centre;
  - Once your Investor Profile has been created, you will receive your unique Investor Number (KS#) by SMS;
  - Submit the required supporting documentation;
  - An SMS notification will be sent, confirming the receipt of your supporting documentation;
  - Your supporting documentation will be verified to ensure that it is valid for purposes of this Public Offer;
  - You will be notified, via SMS, as to whether your supporting documentation was successfully verified or not;
  - If successfully verified, you will receive notification via SMS and advised to make a payment;
  - If the verification process is not successful, you will receive guidance on the additional information you need to submit in order to successfully verify your supporting documentation;
  - You will then be able to make a payment using the unique Investor Number (KS#) supplied to you when you created your Investor Profile;
  - Once the verification process is successful and payment has been made correctly (using the correct unique Investor Number (KS#)), the application process is complete. Refer to the implications of using the incorrect investor number as set out in Step 4 on page 5 of this Prospectus.
  - You have the ability to track the status of your application at any stage through the application process, by logging into your Investor Profile.

- The obligation to provide full and accurate information rests on each Applicant. The acceptance of an Application Form and supporting documentation, and the allotment and issue of Khula Sizwe Shares following acceptance of an application, does not imply that any such information has been verified or accepted as true and correct, and will not prevent Khula Sizwe from taking action in connection therewith at any time, including after Khula Sizwe Shares have been issued or transferred to you.

- Successfully completing the application process, including making payment, does not guarantee any allotment of Khula Sizwe Shares. Khula Sizwe reserves the right to allot shares in its sole discretion.

9. HOW DO I PAY?

Once your Application Form and supporting documentation has been verified, you will be sent payment instructions via SMS, and will need to pay for your shares in accordance with those instructions and as set out below:

- Payment must be made by no later than the Public Offer Closing Date. Payment may be made in one of the following manners:
  - EFT: EFT payments must be made into the Khula Sizwe bank account number referred to below (which will also be indicated in the SMS sent to you when your supporting documents have been successfully verified).
  - EFT through a Bank Branch: Applicants can also visit any branch of their bank and request assistance in completing an EFT transfer into the Khula Sizwe bank account number referred to below.
Cash payment: cash payments (maximum R24,999.00 per deposit, per person) can be made by using your unique Investor Number (KS#) as a reference into the Khula Sizwe bank account number referred to below.

It is critical that the unique Investor Number (KS#) sent to you via SMS is used as the payment reference at the time of the EFT transfer/cash payment to avoid the transaction being rejected due to the funds being unallocated, and for the funds to be allocated to the correct Applicant. The onus is on the Applicant to ensure that his/her/its payment reference is correct. None of Khula Sizwe, Barloworld or their advisers and service providers will be held liable for payments made without reference numbers or with incorrect reference numbers.

Please use the following Banking Details:

- Account name: Barloworld Khula Sizwe
- Account number: 1144961408
- Account type: Current account
- Bank: Nedbank
- Branch code: 198765
- Reference: The unique Investor Number (KS#) sent via SMS when you submit your Application Form and with the investment instructions SMS that will be sent once your supporting documents have been successfully verified.

Whatever amount you (or other persons) deposit with your unique Investor Number (KS#) into the above account prior to 16:00 on 31 May 2019, will constitute an offer by you to subscribe for Khula Sizwe Shares up to that amount.

This amount will be used, if you are successful with your application, to subscribe for as many Khula Sizwe Shares as possible up to the maximum number of Khula Sizwe Shares allocated to you, and any excess amount will be refunded to you as provided for in this Prospectus. Please note that refunds are subject to Applicants having complied with FICA and the banking details being successfully validated.

Please note: cheques, postal orders, credit cards and debit cards will NOT be accepted.

10. HOW MUCH WILL IT COST ME?

Each Khula Sizwe Share costs R10:

- You must apply for at least 250 Khula Sizwe Shares and if you apply for the minimum of 250 Khula Sizwe Shares it will cost you R2 500;
- You may apply for additional Khula Sizwe Shares at a price of R10 per Khula Sizwe Share and it will cost you R2 500 plus R10 for each additional Khula Sizwe Share applied for.

11. HOW ARE APPLICATIONS PROCESSED?

Once the Public Offer closes on Friday, 31 May 2019, the share allocation process will start, which can take up to 60 days to complete.

Allocation of Khula Sizwe Shares

- After the Public Offer closes on Friday, 31 May 2019, Khula Sizwe will be able to determine:
  - Whether your application was accepted or rejected; and
  - If accepted, how many Khula Sizwe Shares (if any) you will receive.

- If there is an oversubscription and applications are received for more than the 16 340 000 Khula Sizwe Shares on offer, you may not get all or any of the shares you applied for, even if your application has been properly completed, payment has been made and all your supporting documents have been correctly submitted.

- Refunds to Applicants:
  - If, due to an oversubscription, you do not receive all the Khula Sizwe Shares you applied for, Khula Sizwe will return the excess funds paid by you into the Khula Sizwe Account using your unique Investor Number (KS#) without interest to you (but not to any other person who made any payments on your behalf) in respect of those Khula Sizwe Shares which you applied for, but did not receive.
– If the Public Offer is deemed unsuccessful due to undersubscription below the Minimum Subscription Amount, Khula Sizwe will refund you the amount paid without interest, using your unique Investor Number (KS#).

– If your application is rejected for any reason or if you were disqualified, Khula Sizwe will return the funds paid into the Khula Sizwe Account by you using your unique Investor Number (KS#), to you (but not to any other person who made any payments on your behalf) without interest within 90 days of the Public Offer Closing Date.

– Refunds will be paid by EFT, into the South African bank account designated on the Application Form. Please note that refunds are subject to Applicants having complied with FICA and Khula Sizwe having verified the FICA details supplied.

– One or more third parties may make any number of payments directly into the Khula Sizwe Account on your behalf, using your unique Investor Number (KS#) as a payment reference. However, no refunds will be made to any such third parties. All refunds relating to your application will only be paid to you into the bank account supplied by you on the Application Form. You agree to indemnify Khula Sizwe, Barloworld, their advisers and service providers in respect of any claims made against them by any person who may make any payment to the Khula Sizwe bank account using your unique Investor Number (KS#).

Status updates

• You may receive status updates via SMS with respect to the status of your application (or by visiting the website).

• Please note that you will only receive communications via SMS with respect to the status of your application and you will not be able to reply to those SMSs. If you have any queries with respect to any SMS received by you, you will need to call the Call Centre on 0800 233 733 (toll-free number) or visit any Walk-in Centre.

• Please ensure that you are able to be contacted on the cell phone number that you provided on your Application Form during the Offer Period and thereafter. If your cell phone number changes during this time, you will need to update it online on www.barloworldkhulasizwe.com, or call the Call Centre on 0800 233 733 (toll-free number) or (during the Public Offer period) visit any Walk-in Centre, to update your contact details.

Confirmation of allocation

• Within 60 days after the Public Offer Closing Date, you will receive confirmation indicating the number of Khula Sizwe Shares allocated to you, if any.

• You will not receive a share certificate for the Khula Sizwe Shares allocated to you, as the Khula Sizwe Shares will be issued in Dematerialised form (i.e. without a physical document). You will however, receive an SMS with a link to the investor portal where you can view the number of shares that have been allocated to you. The number of shares allocated or issued to you will be available in your Khula Sizwe Investor Profile and accessible at any time. Alternatively, you can call the Call Centre on 0800 233 733 (toll-free number) to request confirmation of the number of shares issued to you.

• During the Lock-in Period, your Khula Sizwe Shares will be held in an account on your behalf by the Custodian in accordance with the provisions of the Khula Sizwe MOI as well as any applicable custody agreement concluded between Khula Sizwe and the Custodian. By agreeing to the terms and conditions of the Public Offer when making your application, you also agree to be bound by the terms and conditions of the agreement between Khula Sizwe, Barloworld and the Custodian. You will not be charged by the Custodian for this service during the Lock-in Period. After the Lock-in Period, upon the B-BBEE Listing you will be able to have your Khula Sizwe Shares held directly in your name or by a Nominee Holder (e.g. via your stock broker) on your behalf, or you can continue to have the Custodian hold the shares on your behalf, subject to its terms and conditions.

12. ARE THERE ANY HIDDEN COSTS IN APPLYING FOR THE KHULA SIZWE SHARES ON OFFER?

• There are no hidden commissions or incentives for which you will be liable.
The information set out herein is summary in nature, it is not comprehensive and must be read together with the detailed information and terms set out in this Prospectus.

1. **WHAT IS THE PURPOSE OF THE PUBLIC OFFER?**

Khula Sizwe was created as part of the Barloworld B-BBEE Transaction. The purpose of the Public Offer is to raise R163.4 million from the Black Public giving them an opportunity to acquire Khula Sizwe Shares and to participate in the ownership of the Properties. The amount raised through the Public Offer, together with funding raised from the Management Trust and the Employee Trust, will be used by Khula Sizwe to fund a portion of the Acquisition Consideration payable for the acquisition of the Properties.

2. **WHAT IS THE BARLOWORLD B-BBEE TRANSACTION?**

- Barloworld is implementing a B-BBEE Transaction, which comprises of the following core elements:
  - An issue of shares to the Foundation, which will, post their issue, equate to 3% of the total issued share capital of Barloworld;
  - The sale of a portfolio of Properties to Khula Sizwe in terms of Statement 102 of the BEE Codes; and
  - The transfer of a 10-year lease with Barloworld SA and Barloworld Logistics to Khula Sizwe.

- The B-BBEE Transaction structure is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value R'm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties' Market Value (31 August 2018)</td>
<td>2 729</td>
</tr>
<tr>
<td>Development capital expenditure</td>
<td>130</td>
</tr>
<tr>
<td><strong>Future market value (1 October 2019)</strong></td>
<td>2 859</td>
</tr>
<tr>
<td>Discount on future value (5%)</td>
<td>143</td>
</tr>
<tr>
<td><strong>Acquisition Consideration</strong></td>
<td>2 716</td>
</tr>
<tr>
<td>External Funder**</td>
<td>2 172</td>
</tr>
<tr>
<td><strong>Equity</strong>*</td>
<td>544</td>
</tr>
</tbody>
</table>

* R750m of value is based on the Barloworld market capitalisation at 15 Nov 2018.

** Excluding service fee payable to the External Funder of R10 million (including VAT).

*** Refer to 11.2.7 for details of the use of funds, noting that an additional R1 million of equity will be raised over and above that required to fund the acquisition of the Properties.

Please note that this diagram is for illustrative purposes only. It assumes that the Target Equity Raise is met and that no adjustments to the structure are accordingly required.
3. HOW WILL KHULA SIZWE FUND ITS ACQUISITION OF THE PROPERTIES?

Khula Sizwe will be funded through a combination of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount R'm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity from the Public Offer</td>
<td>163</td>
</tr>
<tr>
<td>Equity from the Management Trust</td>
<td>207</td>
</tr>
<tr>
<td>Funded by Barloworld</td>
<td>199</td>
</tr>
<tr>
<td>Funded by Senior Management Own Contribution</td>
<td>8</td>
</tr>
<tr>
<td>Equity from Employee Trust – funded by Barloworld</td>
<td>174</td>
</tr>
<tr>
<td>External Loan (excluding a service fee of R10 million including VAT)</td>
<td>2 172</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 716</strong></td>
</tr>
</tbody>
</table>

4. HOW MANY KHULA SIZWE SHARES ARE BEING OFFERED AND AT WHAT PRICE?

- The total equity amount sought to be raised through the Public Offer is R163.4 million.
- In order to raise the equity amount of R163.4 million, a maximum of 16 340 000 Khula Sizwe Shares at R10 each will be issued. When these shares are issued pursuant to the Public Offer, they will together constitute an effective 30% of the total issued ordinary shares of Khula Sizwe.

5. WHAT IS THE UNDERLYING VALUE OF EACH KHULA SIZWE SHARE?

Each Khula Sizwe Share has an underlying value, based on the assumptions in paragraph 3.5 of Section 1 of this Prospectus, of approximately R12.41. The indicative Market Value of the properties is the most important factor affecting the value of a Khula Sizwe Share. The table below sets out the indicative net asset value of a Khula Sizwe Share on Implementation Date:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value R'm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicative market value of the Properties</td>
<td>2 859</td>
</tr>
<tr>
<td>Less: External Loan (including a service fee of R10 million including VAT)</td>
<td>(2 183)</td>
</tr>
<tr>
<td>Indicative Khula Sizwe net asset value</td>
<td>676</td>
</tr>
<tr>
<td>Black Public share of Khula Sizwe net asset value</td>
<td>203</td>
</tr>
<tr>
<td>Number of Shares owned by the Black Public</td>
<td>16 340 000</td>
</tr>
<tr>
<td>Indicative net asset value per Share</td>
<td>R12.41 per share</td>
</tr>
</tbody>
</table>

The net asset value per share indicated above is an estimate and may vary over time depending on the following factors:

- Performance of the property market over the 15-year empowerment period;
- Movements in Interest Rates;
- The value of the Properties after the Lock-in period of 5-years (which is the earliest opportunity any Applicant will be able to sell their Khula Sizwe Shares); and
- The level of demand and supply of Khula Sizwe Shares post the BEE Listing.

6. CAN I LOSE MY R2 500 INVESTMENT?

- Yes, you can ultimately lose all or a part of your investment. The Khula Sizwe Shares you acquire will be subject to all the investment risks faced by the ordinary shareholders of any company.
- As with all share investments, the value of the investment depends largely on the underlying value of the business, or assets invested in, and the financing obligations. The value of your Khula Sizwe Shares will therefore increase and decrease with reference, among others, to any changes to the Properties’ Market Value and the costs of funding. For more details of the factors that may affect the value of your investment, refer to paragraph 3.5 of Section 1 of this Prospectus.
7. DOES BARLOWORLD SIGNIFICANTLY ASSIST KHULA SIZWE?

Yes, Barloworld is significantly assisting Khula Sizwe, including in the key ways described below:

- Barloworld will dispose of the Properties at an effective, aggregate, discount of 5% to the Properties’ Market Value (plus the development capital expenditure in respect of the Properties), which discount amounts to R143 million in value;
- Barloworld SA and Barloworld Logistics enter into a 10-year lease agreement with Khula Sizwe. The lease rentals will increase by 8% per annum during the term of the lease agreement; and
- Barloworld has also provided the Management Trust Loan and the Employee Trust Contribution to fund the subscriptions for the Khula Sizwe Shares by the Management Trust and the Employee Trust.

8. HOW WILL KHULA SIZWE SHARES BE ALLOCATED IF THE OFFER IS OVERSUBSCRIBED?

- Should applications for Khula Sizwe Shares in the Public Offer exceed 16 340 000 Khula Sizwe Shares, Khula Sizwe will use its discretion in allocating Khula Sizwe Shares amongst successful Applicants under the Public Offer.
- In order to ensure the broadest possible base of Black Participants, a key principle will be that the allocation of Khula Sizwe Shares will be made from the lowest to the highest, starting with applications for the least number of Khula Sizwe Shares applied for and with preference being given to Black People (i.e. individuals). No preferential treatment will be given to Khula Sizwe directors or employees, management or directors of Barloworld.
- If you are an Applicant and have applied and paid for Khula Sizwe Shares that are not eventually issued to you, Khula Sizwe will refund to you the excess amount without interest by way of EFT. Please note that refunds are subject to Applicants having complied with FICA and their account details having been successfully verified.

9. WHAT HAPPENS IF LESS THAN THE FULL AMOUNT OF CAPITAL IS RAISED?

- In the event that the money raised from the Black Public under the Public Offer is equal to or above the Minimum Subscription Amount (R120 million) but less than the Target Equity Raise (R163.4 million), the Public Offer will be deemed successful and, the difference will be subscribed for by the Management Trust.
- To the extent that the money raised in the Public Offer is less than the Minimum Subscription Amount, the Public Offer will be deemed unsuccessful and Khula Sizwe will refund to you, the amount paid by you, using your unique Investor Number (KS#) by EFT, without any interest. The entire Target Equity Raise of R163.4 million will be subscribed for by the Management Trust.

10. WHAT IS THE MINIMUM INVESTMENT AMOUNT?

- The minimum number of Khula Sizwe Shares to be applied for is 250, which will cost R2 500.
- The table below sets out the number of Khula Sizwe Shares that a prospective shareholder will acquire based on the amount invested:

<table>
<thead>
<tr>
<th>Number of Khula Sizwe Shares applied for</th>
<th>Amount applied for (Rand)</th>
<th>Number of Khula Sizwe Shares applied for</th>
<th>Amount applied for (Rand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>250</td>
<td>R2 500</td>
<td>650</td>
<td>R6 500</td>
</tr>
<tr>
<td>300</td>
<td>R3 000</td>
<td>700</td>
<td>R7 000</td>
</tr>
<tr>
<td>350</td>
<td>R3 500</td>
<td>750</td>
<td>R7 500</td>
</tr>
<tr>
<td>400</td>
<td>R4 000</td>
<td>800</td>
<td>R8 000</td>
</tr>
<tr>
<td>450</td>
<td>R4 500</td>
<td>850</td>
<td>R8 500</td>
</tr>
<tr>
<td>500</td>
<td>R5 000</td>
<td>900</td>
<td>R9 000</td>
</tr>
<tr>
<td>550</td>
<td>R5 500</td>
<td>950</td>
<td>R9 500</td>
</tr>
<tr>
<td>600</td>
<td>R6 000</td>
<td>1 000</td>
<td>R10 000</td>
</tr>
</tbody>
</table>

11. WHAT ARE THE TRADING RESTRICTIONS ON THE SHARES?

- You cannot sell or otherwise Dispose of your Khula Sizwe Shares during the first five (5) years of the Empowerment Period (i.e. the Lock-in Period).
- The Empowerment Period for Khula Sizwe is fifteen years from the Implementation Date, which is expected to be 1 October 2019.
• Restricted trading will be allowed during the sixth (6th) to fifteenth (15th) year, where you can only sell or Dispose of your Khula Sizwe Shares to Eligible Khula Sizwe Shareholders (being Black People and Black Groups). All sales and Disposals during the sixth (6th) to fifteenth (15th) year of the Empowerment Period are subject, amongst others, to approval and BEE verification processes.

• You cannot Encumber (e.g. use as security for a loan) your Khula Sizwe Shares during the Empowerment Period (i.e. fifteen (15) years).

• There will be no special restrictions on the Disposal or Encumbrance of Khula Sizwe Shares after the Empowerment Period.

• You will be bound by the Khula Sizwe MOI and the terms and conditions of the Public Offer, as updated from time to time.

• A breach of these restrictions or the terms of the Khula Sizwe MOI could result in a Call Event and you being obliged to sell your Khula Sizwe Shares at a discount of 50% to the Call Reference Price as defined in the Khula Sizwe MOI (see paragraph 10.8.4 of Section 2 of the Prospectus).

12. MAY I EXIT KHULA SIZWE DURING THE EMPOWERMENT PERIOD?

• You cannot sell or otherwise Dispose of your Khula Sizwe Shares during the first five (5) years from the Implementation Date (i.e. the Lock-in Period).

• You may only voluntarily exit after the Lock-in Period. Special provisions apply in the event of death, insolvency and sequestration – see paragraphs 17, 18, and 19 below.

13. WHAT MAY DISQUALIFY ME FROM BECOMING A KHULA SIZWE SHAREHOLDER?

Khula Sizwe reserves the right to accept or reject applications, in its sole discretion. Without limiting this discretion, the following circumstances will likely disqualify you from becoming a Khula Sizwe Shareholder:

• If you do not make payment before the Public Offer Closing Date in accordance with this Prospectus.

• If your Application Form is not completed accurately or is incomplete.

• If all the required supporting documents are not submitted.

• If your information cannot be verified.

• If you are not a Black Person or a Black Group as defined in terms of this Prospectus.

• If you make any fraudulent or untrue statements in your Application Form.

14. WHAT HAPPENS IF I AM DISQUALIFIED?

• Your application will be rejected. Any funds you have paid will be refunded, without interest, within 90 days of the end of the Public Offer Closing Date. Please note that refunds are subject to Applicants having complied with FICA and their account details been successfully verified.

• If you misrepresent your BEE Status or commit any action which amounts to fronting, you run the risk of either: (i) being disqualified from participating in Khula Sizwe; or (ii) if Khula Sizwe Shares are allotted to you, a Call Event arising with the result that you may be forced to sell your Khula Sizwe Shares at a discount of 50% to the Call Reference Price. Please see paragraph 10.8 of Section 2 of the Prospectus for further details in relation to a Call Event.

15. CAN I BE FORCED TO SELL MY KHULA SIZWE SHARES?

Yes, in the circumstances set out below, you can be forced to sell your Khula Sizwe Shares:

• You were a Black Group and you cease to continue to qualify as a Black Group during the Empowerment Period;

• You misrepresented that you were a Black Group or a Black Person at the time of your application;

• You are a Black Group and, during the Empowerment Period, you cease to have at least the same level of Black ownership/membership/beneficiaries/participants that you had at the time of your application;

• During the Empowerment Period, you Dispose of your shares to a person or group that you know or reasonably should have known is not a Black Person or Black Group;

• In the case of a Black Group, you are wound up;

• In the case of a Black Person, you are sequestrated;

• In the event of a death – see in this regard the answer to questions 17 and 18 below; and

• In the event that you hold or are allocated shares in excess of the Maximum Shareholding Limit.
16. IF I AM A BLACK GROUP, MUST I MAINTAIN MY BEE STATUS?

- Black Groups must maintain the same or a higher BEE Status than they had at the time of their BEE verification and must continue to qualify as a Black Group throughout the Empowerment Period.
- Should a Black Group fail to maintain its BEE Status and/or status as a Black Group and fail to remedy this, this may result in their Khula Sizwe Shares being acquired by Khula Sizwe or its nominee at a discount of up to 50% of the Call Reference Price.

17. WHAT HAPPENS IF I DIE OR BECOME INSOLVENT DURING THE EMPOWERMENT PERIOD?

- In the event of the death of a Shareholder, the executor of the deceased Shareholder’s estate shall be entitled to transfer the relevant Shares to such Shareholder’s heir, provided that such heir is an Eligible Shareholder or a Verified Shareholder (as the case may be).
- If the deceased Shareholder is an employee of the Barloworld Group and the heir is not an Eligible Shareholder or a Verified Shareholder (as the case may be), the heir and/or the executor shall be permitted (and obligated) to:
  - transfer the relevant Shares to an Eligible Shareholder or a Verified Shareholder (as the case may be) within a period of 120 days from the date of death; or
  - transfer the relevant Shares to such Shareholder’s heir who shall be deemed to be an Eligible Shareholder.
- In the event that the deceased Shareholder’s executor fails to comply with these provisions, a Call Event shall arise and your estate or trustee may be forced to sell your Khula Sizwe Shares to Khula Sizwe or its nominee at a 50% discount to the Call Reference Price as prescribed in the Khula Sizwe MOI.

18. WHAT HAPPENS IF A MEMBER OF OUR BLACK GROUP DIES DURING THE EMPOWERMENT PERIOD, RESULTING IN THE BLACK GROUP CEASING TO MAINTAIN ITS BEE STATUS AND/OR QUALIFYING AS A BLACK GROUP?

- In the event of the death of a shareholder, member, participant and/or beneficiary of a Shareholder which held Shares as a Black Group, as a result of which the Shareholder fails to maintain its BEE Status or no longer qualifies as a Black Group, then the Shareholder shall have a period of 120 days to remedy the breach caused by such death or to transfer the Shares held by it to an Eligible Shareholder or a Verified Shareholder (as the case may be).
- In the event that the Shareholder fails to comply with these provisions or the breach caused by the death has not otherwise been remedied within 120 days from the date of the death in question, a Call Event shall arise and the Shareholder may be forced to sell your Khula Sizwe Shares to Khula Sizwe or its nominee at a 50% discount to the Call Reference Price as prescribed in the Khula Sizwe MOI.

19. WHAT HAPPENS IF OUR BLACK GROUP GETS INVOLUNTARILY LIQUIDATED DURING THE EMPOWERMENT PERIOD, RESULTING IN THE BLACK GROUP CEASING TO MAINTAIN ITS BEE STATUS AND/OR QUALIFY AS A BLACK GROUP?

- In the event that a Shareholder which held Shares as a Black Group is involuntarily liquidated (whether provisionally or finally) and as a result of which it fails to maintain its BEE Status or no longer qualifies as a Black Group, as the case may be, then the Shareholder (and/or its liquidator) shall have a period of 120 days to remedy the breach caused by such events or to transfer the Shares held by it to an Eligible Shareholder or a Verified Shareholder (as the case may be) unless the liquidation order is set aside within such 120 day period.
- In the event that the Shareholder and/or its liquidator fails to comply with these provisions, a Call Event shall arise and you may be forced to sell your Khula Sizwe Shares to Khula Sizwe or its nominee at a 50% discount to the Call Reference Price as prescribed in the Khula Sizwe MOI.

20. CAN I TRANSFER MY SHARES OR MY RIGHTS OR INTERESTS THERETO TO ANY THIRD PARTY DURING THE LOCK-IN PERIOD?

- No, you are not allowed to sell, Dispose of or in any way transfer your Khula Sizwe Shares during the Lock-in Period.

21. CAN I USE MY ALLOCATED KHULA SIZWE SHARES TO SECURE A DEBT OR A LOAN DURING THE LOCK IN PERIOD OR THEREAFTER?

- No, you are not allowed to Encumber your Khula Sizwe Shares during the Empowerment Period.
22. WILL I HAVE ANY VOTING RIGHTS?

- Yes. You can vote at the general meetings of Khula Sizwe.
- You are entitled to one vote for every Khula Sizwe Share held.
- Any Shareholder may at any time appoint any natural person, including a natural person who is not a Shareholder, as a proxy to participate in and speak and vote at, a Shareholders’ meeting on behalf of the Shareholder.
- Khula Sizwe will not permit a Khula Sizwe Share to be voted upon by the holder of a Beneficial Interest who does not hold a letter of representation from the registered holder. Having regard to this, Khula Sizwe will procure that the Custodian, as the registered holder of the Shares during the Lock-in Period, is available at all general meetings of the Company to issue such letters of representation immediately prior to the meeting. You will also be able to provide the Custodian with your voting instructions ahead of general meetings.

23. WHAT IS A DIVIDEND?

- A dividend is a payment made by a company to its shareholders as a distribution of its assets or profits, if so decided by the directors of the company, taking into account (amongst others) the future cash requirements of the company.

24. WILL I RECEIVE A DIVIDEND FROM KHULA SIZWE?

- Income earned by Khula Sizwe on the Properties will in the ordinary course be used firstly to pay or provide for permitted operational costs and expenses (including interest on the External Loan) and tax liabilities of Khula Sizwe. Any balance of such income earned on the Properties held by Khula Sizwe will then be used to settle the capital outstanding on the third-party funding.
- During the Empowerment Period, any excess cash flow, after providing for the above, will be used to acquire Barloworld Shares. For more details, see paragraph 7 of Section 4 of the Prospectus.

25. WILL I RECEIVE FINANCIAL STATEMENTS FOR KHULA SIZWE?

- Annual financial statements of Khula Sizwe will be made available to all Khula Sizwe Shareholders on its website, www.barloworldkhulasizwe.com, and this will indicate the performance of the Company in accordance with IFRS.

26. HOW DO I HELP APPOINT KHULA SIZWE DIRECTORS?

- You can participate in the appointment of a Khula Sizwe Director by voting at annual general meetings of Khula Sizwe as described in paragraph 2.3 of Section 1.

27. ARE THE KHULA SIZWE SHARES LISTED ON A RECOGNISED STOCK EXCHANGE AND WILL I BE ABLE TO TRADE ON THIS EXCHANGE?

- No, Khula Sizwe is not listed on any stock exchange. The Khula Sizwe Shares will not be listed during the Lock-in Period.
- No application has been made for the listing of the Khula Sizwe Shares offered in terms of the Public Offer.
- After the Lock-in Period, it is currently intended that the Khula Sizwe Shares may be listed on a recognised stock exchange to facilitate trading between Black People and Black Groups during the remaining sixth (6th) to fifteenth (15th) year of the Empowerment Period.

28. IS THERE ANY CAPITAL PROTECTION?

There is no capital protection. Khula Sizwe will be subject to all the investment risks faced by ordinary shareholders of a company.

29. WHAT HAPPENS IF THE B-BBEE TRANSACTION IS NOT IMPLEMENTED?

If the B-BBEE Transaction is not implemented as a result of any of the Conditions Precedent not being fulfilled, or deemed fulfilled, or waived, any funds you have paid will be refunded, without interest, within thirty (30) days of notification of failure of implementation of the B-BBEE Transaction.
In this Prospectus, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, words importing one gender includes the other gender and references to a natural person include references to a juristic person and vice versa.

“Acquisition” the acquisition by Khula Sizwe of the Properties from Barloworld, as set out in the Property Sale Agreement;

“Acquisition Consideration” R2.716 billion, being the aggregate consideration payable by Khula Sizwe to Barloworld for the Properties under the Property Sale Agreement;

“Amendment Agreement” the amendment agreement between Barloworld; Barloworld SA; Barloworld Logistics; Khula Sizwe; Employee Trust; Management Trust and the Foundation, dated 1 April 2019 amending the Property Sale Agreement, Property Lease Agreements, the Framework Agreement, Employee Trust Subscription Agreement, Management Trust Subscription Agreement, Management Trust Loan Agreement and the Employee Trust Contribution Agreement;

“Applicant” a person who submits an Application Form applying for Khula Sizwe Shares under the Public Offer;

“Application Form(s)” the application forms constituting the acceptance of the Public Offer by an Applicant agreeing to subscribe for the Khula Sizwe Shares set out therein, which application forms will be substantially in the form annexed to this Prospectus, completed only Online (www.barloworldkhulasizwe.com) either by the Applicant individually or by the Applicant with the assistance of a Call Centre agent on 0800 233 733 (toll-free number) or an agent available at the Walk-in Centres;

“Approved Nominee” the Custodian and/or any Nominee Holder who is permitted to hold Khula Sizwe Shares on behalf of a Beneficial Holder thereof;

“Authority” any government or governmental, administrative, fiscal or judicial authority, body, court, department, commission, tribunal, registry or any state owned, controlled or legislatively constituted authority which principally performs public, governmental or regulatory functions and/or which is responsible for applying national security, foreign investment, exchange control, merger control or other competition or antitrust legislation or regulations, in South Africa;

“Barloworld” Barloworld Limited (Registration number 1918/000095/06), a public company with limited liability duly incorporated and registered in accordance with the laws of South Africa and listed on the main board of the JSE with secondary listings on the London and Namibian stock exchanges;

“Barloworld Group” Barloworld and its South African subsidiaries, from time to time, and “Barloworld Group Company” has a corresponding meaning;

“Barloworld Internal Restructure” the internal restructure to be undertaken by the Barloworld Group prior to the implementation of the B-BBEE Transaction, in terms of which the ownership of certain of the Properties (and any leases related thereto) owned by the Initial Sellers will be transferred to Barloworld as set out in paragraph 2 of Section 4, on page 52 of this Prospectus;

“Barloworld Lease Guarantee” a lease guarantee provided by Barloworld in favour of Khula Sizwe, in terms of which Barloworld guarantees the Lessees’ rental payment obligations to Khula Sizwe under the Property Lease Agreements, a draft of which is annexed to the Property Lease Agreements;

“Barloworld Logistics” Barloworld Logistics Africa Proprietary Limited (Registration number 1905/000694/07), a private company with limited liability duly incorporated and registered in accordance with the laws of South Africa and an indirect wholly owned subsidiary of Barloworld;

“Barloworld SA” Barloworld South Africa Proprietary Limited (Registration number 1946/021661/07), a private company with limited liability duly incorporated and registered in accordance with the laws of South Africa and a wholly owned subsidiary of Barloworld;
“Barloworld Share” an ordinary share of R0.05 each in the authorised and issued share capital of Barloworld and traded on the main board of the JSE under share code BAW and ISIN ZAE000026639;

“Barloworld Shareholder” a holder of Barloworld Shares from time to time;

“B-BBEE” Broad-Based BEE as defined in the B-BBEE Act;

“B-BBEE Act” the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended from time to time;

“B-BBEE Controlled Company” has the meaning ascribed to it in the BEE Codes;

“B-BBEE Legislation” collectively, the B-BBEE Act, the BEE Codes and the Property Sector Code;

“B-BBEE Owned Company” has the meaning ascribed to it in the BEE Codes;

“B-BBEE Securities” has the meaning given to such term in the JSE Listings Requirements or equivalent term referred to in the listing requirements of any applicable exchange, from time to time;

“B-BBEE Segment” has the meaning given to the term “BEE Segment” in the JSE Listings Requirements or equivalent term referred to in the listing requirements of any applicable exchange, from time to time;

“B-BBEE Transaction” collectively, the Specific Issue of Shares to the Foundation and the Acquisition, including the Lease, as well as the Specific Repurchase and Financial Assistance;

“BEE” Black Economic Empowerment;

“BEE Codes” Broad-Based Black Economic Empowerment Codes of Good Practice gazetted under section 9 of the B-BBEE Act, as amended from time to time;

“BEE Participants” collectively, the Management Trust, the Employee Trust and the Black Public;

“BEE Status” in relation to a Black Group, the Black Group’s percentage voting rights and percentage economic interest held by Black People (by shareholding, membership, beneficiary interest and/or other comparable interest, as the case may be having regard to the juristic nature of the relevant Black Group);

“Beneficial Holder” in relation to any Dematerialised Shares, the person who from time to time: (i) holds the beneficial interests in such shares directly through “own name” registration in the Uncertificated Register; or (ii) where such shares are registered in the Uncertificated Register in the name of a Nominee Holder, the holder/s of the beneficial interests in such Dematerialised Shares;

“Black Company” a juristic person incorporated and registered in accordance with the company laws of South Africa and which is both: (i) a B-BBEE Owned Company, and (ii) a B-BBEE Controlled Company, and “Black Companies” shall have a corresponding meaning;

“Black Entity” a vesting trust which qualifies for recognition under the B-BBEE Legislation, close corporation, partnership, joint venture, “stokvel”, Broad-Based Ownership Scheme (as contemplated in the BEE Codes), Employee Share Ownership Programmes (as contemplated in the BEE Codes) or other such unincorporated entity or association, which has as the majority (being no less than 51%) of its beneficiaries and trustees, or other such representative of its governing body (as the case may be), Black People;

“Black Group” Black Companies and/or Black Entities;

“Black Participants” individually and collectively (as the context may dictate), Black People and Black Groups (i) who are eligible to subscribe for and beneficially own Khula Sizwe Shares pursuant to the Public Offer; or (ii) who are otherwise permitted to own Khula Sizwe Shares in terms of the Khula Sizwe MOI;

“Black People” or “Black Person” or “Black Individuals” those persons who fall within the definition of “black people” (or any comparable term) contained in the B-BBEE Legislation;
“Black Public” members of the public who fall within the definition of Black People or Black Group;

“Broker” any person registered as a broking member (equities) in terms of the rules of the JSE 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;

“Call Centre” the Khula Sizwe inbound call centre administering incoming information enquiries and providing customer service functions to Black Participants and/or Black Public enquiring about the Public Offer and/or Khula Sizwe;

“Call Event” the events and circumstances defined as such in the MOI. (Call Events are summarised in paragraph 10.8 of Section 2 of this Prospectus);

“Call Reference Price” if the Khula Sizwe Shares:

- are not listed on a B-BBEE Segment, the net asset value per Khula Sizwe Share determined with reference to the most recent audited financial statements of Khula Sizwe;
- or

- are listed on a B-BBEE Segment, the 30-Day VWAP of such shares on the B-BBEE Segment as at the relevant date on which the “Call Reference Price” is set;

“cash” unless stated otherwise, references to payment by cash include payment by physical cash and/or payment by electronic funds transfer;

“Central Securities Depository” a person who is licensed as a central securities depository under section 29 of the Financial Markets Act;

“cents” South African cents, a denomination of the official currency of South Africa;

“Certificated Shareholders” holders of Certificated Shares;

“Certificated Shares” shares represented by share certificates or other written instruments, which have not been surrendered for dematerialisation in terms of the requirements of Strate;

“CGT” Capital Gains Tax within the meaning given thereto in the 8th Schedule to the Income Tax Act, 58 of 1962;

“CIPC” the Companies and Intellectual Property Commission, established pursuant to section 185 of the Companies Act, or its successor body;

“Circular” the circular to Barloworld Shareholders, dated Tuesday, 18 December 2018, including the Notice of General Meeting and the form of proxy (blue) in respect of the General Meeting;

“Companies Act” the Companies Act, 2008 (Act 71 of 2008), as amended from time to time;

“Companies Regulations” Companies Regulations, 2011, the regulations issued in terms of the Companies Act, as amended;

“Company Secretary” Barloworld Trust Company Proprietary Limited, represented by Andiswa Ndoni, (Registration number 1964/004845/07), a private company duly registered and incorporated in accordance with the laws of South Africa;

“Competition Act” the Competition Act, 1998 (Act 89 of 1998), as amended from time to time;

“Competition Authorities” the Competition Commission, the Competition Tribunal and/or the Competition Appeal Court, as the case may be, as contemplated in the Competition Act, and references to “Competition Authority” shall have a corresponding meaning, as the context may require;

“Conditions Precedent” the remaining conditions precedent to the B-BBEE Transaction as more fully described in paragraph 5 of Section 4 of this Prospectus;

“Corporate Adviser” Tamela Holdings Proprietary Limited (Registration number 2008/011759/07), a private company with limited liability duly incorporated and registered in accordance with the laws of South Africa;
“Custodian” a person identified and appointed from time to time by Khula Sizwe and/or Barloworld to fulfil the functions assigned to it under the Framework Agreement and/or Khula Sizwe MOI, initially Velocity Nominees;

“Dematerialised” the process by which Certificated Shares are converted to an electronic form as uncertificated shares and recorded in the sub-register of shareholders maintained by a Participant;

“Dematerialised Shareholders” all registered holders of Dematerialised Shares;

“Dematerialised Shares” shares that have been Dematerialised through a Broker or Participant and are recorded in an uncertificated securities register forming part of Khula Sizwe;

“Dispose” is as defined in the Khula Sizwe MOI which definition can be summarised as follows (i) to sell, transfer, cede, swap, surrender, gift or otherwise dispose of (including but not limited eiusdem generis by way of donation or distribution in specie), deal with or Encumber, any interest in a Khula Sizwe Share or other asset, (ii) to do anything which has the effect of placing a person in substantially the same position as that person would have been in, had any of the things mentioned in (i) been done, or to authorise, agree to (whether conditional or not) or attempt to do any of the things mentioned in (i) or (ii) and “Disposal” shall have a corresponding meaning;

“Documents of Title” valid share certificate(s), certified transfer deed(s), balance receipts or any other documents of title acceptable to Khula Sizwe in respect of Khula Sizwe Shares;

“EAP Targets” Economically Active Population targets corresponding to those published by the South African Department of Labour in 2015: African Females at 35.3%, Coloured Females at 4.6%, Indian Females at 1.0%, White Females at 4.3%, African Males at 42.1%, Coloured Males at 5.4%, Indian Males at 1.7% and White Males at 5.6%;

“Effective Date” the Business Day following the date on which the last remaining Condition Precedent is satisfied or waived;

“Effective Interest” any one or more of a direct or indirect ownership, economic or control interest, measured on a fully diluted basis and without any deeming rule or deeming provision being applied;

“EFT” is an abbreviation for “electronic funds transfer”;

“Eligible Khula Sizwe Shareholder” or “Eligible Shareholder” (i) any BEE Participant who is accepted to become a Khula Sizwe Shareholder (pursuant to the Public Offer); and (ii) such other persons as are permitted from time to time (and for the period so permitted) under the Khula Sizwe MOI to hold, or have beneficial interest in, Khula Sizwe Shares, in each such case pursuant to the terms of, and as set out in, the Khula Sizwe MOI;

“Employees” permanent employees (who are South African citizens) of the Barloworld Group in Global Grades 2 to 10 (both inclusive), whose employment location is South Africa (including employees on temporary assignment outside of South Africa) who qualify to be participants in the Employee Trust;

“Employee Trust” the trustees for the time being of the Khula Sizwe Employee Trust (Master’s reference IT002612/2018(T)), a trust established in terms of the Employee Trust Deed under the laws of South Africa and registered as such with the relevant office of the Master of the High Court;

“Employee Trust Contribution” a contribution in an aggregate amount of R174.3 million to be made by Barloworld to the Employee Trust to fund the subscription by the Employee Trust for its 32% interest in Khula Sizwe, as more fully described in paragraph 11.2.7.4 of Section 1;

“Employee Trust Contribution Agreement” the written agreement between Barloworld and the Employee Trust, dated 16 November 2018, as amended by the Amendment Agreement, in terms of which Barloworld makes the Employee Trust Contribution to the Employee Trust;

“Employee Trust Deed” the trust deed between Barloworld and the trustees for the time being of the Employee Trust, dated 16 November 2018;
“Employee Trust Subscription Agreement” the written agreement between the Employee Trust and Khula Sizwe, dated 16 November 2018, as amended by the Amendment Agreement, in terms of which the Employee Trust subscribes for Khula Sizwe Shares equating to approximately 32% of Khula Sizwe’s issued share capital, following the allotment and issue of all of the Khula Sizwe Shares which are subject matter of the Public Offer;

“Empowerment Period” the period commencing on the Implementation Date and expiring on the 15th anniversary of the Implementation Date, after which all restrictions on the transferability of the Khula Sizwe Shares fall away;

“Encumber” is as defined in the Khula Sizwe MOI which definition is as follows, any mortgage, charge, pledge, hypothecation, lien, cession or assignment by way of security, option, right to acquire, right of pre-emption, preferential right or arrangement, right of retention or agreement to confer security or any restriction or other arrangement (whether conditional or not) whatsoever which has the same or similar effect to the granting of security;

“External Funder” Nedbank Limited, acting through its Corporate and Investment Banking, Property Finance division or other financial institution acceptable to Barloworld;

“External Loan” the loan to be provided by the External Funder to Khula Sizwe as contemplated in terms of the External Loan Agreement the proceeds of which will be used as partial funding to Khula Sizwe for the payment of the Acquisition Consideration, the salient terms of which are referred to in paragraph 11.2.7.2 of Section 1;

“External Loan Agreement” the loan agreement entered into between Khula Sizwe and the External Funder regulating the terms under which the External Loan will be advanced by the External Funder to Khula Sizwe;

“FICA” the Financial Intelligence Centre Act, 2001 (No. 38 of 2001), as amended;

“Financial Markets Act” the Financial Markets Act, 2012 (Act 19 of 2012), as amended from time to time;

“Foundation” the trustees for the time being of the Barloworld Empowerment Foundation (Master’s reference IT002613/2018(T)), a trust established in terms of the Foundation Trust Deed under the laws of South Africa and registered as such with the relevant office of the Master of the High Court;

“Foundation Shares” 6 578 121 Barloworld Shares to be issued to the Foundation;

“Foundation Subscription Agreement” a written agreement between the Foundation and Barloworld, dated 16 November 2018, in terms of which the Foundation subscribes for the Foundation Shares, as amended;

“Foundation Trust Deed” the trust deed between Barloworld and the trustees for the time being of the Foundation, dated 16 November 2018;

“Framework Agreement” the written agreement entered into between Barloworld, Barloworld Logistics, Barloworld SA, the Foundation, the Employee Trust, the Management Trust and Khula Sizwe on 16 November 2018, as amended by the Amendment Agreement, in terms of which the principles to, and the terms and conditions of, the B-BBEE Transaction are set out;

“General Meeting” the General Meeting of Barloworld Shareholders held at 14:00 on Thursday, 14 February 2019, at 180 Katherine Street, Sandton, 2196, Johannesburg, South Africa, for the purpose of considering and passing the resolutions set out in the Notice of General Meeting forming part of the Circular;

“GLA” the gross lettable area measured in m², being the total area of property that can be rented to a tenant;

“Global Grades” grading applied to staffing levels in terms of the Willis Watson global grading system or an equivalent grading system applied by Barloworld from time to time;

“ID” a valid South African identity document issued by the South African Department of Home Affairs in terms of the Identification Act, 68 of 1997;

“IFRS” International Financial Reporting Standards;
“Implementation Date” the date on which the B-BBEE Transaction will be implemented, which is expected to be 1 October 2019, which date may, after consultation with Khula Sizwe, be extended by Barloworld, on written notice to the parties to the Framework Agreement to a later date but which date will not be later than 1 October 2020;


“Independent Registered Auditors” SizweNtsalubaGobodo Grant Thornton Inc (Registration number 2005/034639/21), a company duly registered and incorporated in accordance with the laws of South Africa;

“Independent Property Valuer” Broll Valuation and Advisory Services South Africa Proprietary Limited (Registration number 1968/003515/07), a private company with limited liability duly registered and incorporated in accordance with the laws of South Africa;

“Independent Property Valuation” the summary property valuation report of the Independent Property Valuer reproduced in Annexure 1 to this Prospectus;

“Initial Sellers” collectively, (i) Barloworld SA, (ii) Barloworld Auto Proprietary Limited (Registration number 2007/029286/07), (iii) Shawu Beleggings Proprietary Limited (Registration number 1969/012193/07), (iv) Clidet No 618 Proprietary Limited (Registration number 2005/039046/07), (v) Clidet No 620 Proprietary Limited (Registration number 2005/038700/07), (vi) Clidet No 629 Proprietary Limited (Registration number 2005/040282/07), (vii) CTH Magic Property Motor No 2 Proprietary Limited (Registration number 2006/023055/07), (viii) BWTS Prop Proprietary Limited (Registration number 2003/020559/07) and (ix) Clidet No 613 Proprietary Limited (Registration number 2005/038555/07), Manline Properties Proprietary Limited (Registration number 2003/020559/07) which are all private companies with limited liability duly incorporated and registered in accordance with the laws of South Africa;

“Internal Restructure Agreements” the agreements to be entered into on or before the Implementation Date between Barloworld and the Initial Sellers, in terms of which Barloworld acquires certain of the Properties from the Initial Sellers in terms of the Barloworld Internal Restructure;

“Investor Profile” an electronic profile created through the Application process whereby Applicants are assigned a unique Investor Number (KS#), which will be used in all communications with Khula Sizwe, and to log into the Khula Sizwe website;

“Jibar” Johannesburg Interbank Average Rate;

“JSE” JSE Limited (Registration number 2005/022939/06), a public company with limited liability duly registered and incorporated in accordance with the laws of South Africa, and which is licensed to operate an exchange under the Financial Markets Act;

“JSE Listings Requirements” the Listings Requirements of the JSE, as amended from time to time;

“Junior Managers” permanent employees (who are South African citizens) of the Barloworld Group in Global Grades 11 to 14 (both inclusive), whose employment location is South Africa (including employees on temporary assignment outside of South Africa) who qualify to be participants in the Management Trust;

“King Code” the King Code on Corporate Governance for South Africa, as amended from time to time;

“Khula Sizwe” or “the Company” Khula Sizwe Property Holdings (RF) Limited (Registration number 2018/546305/06), to be renamed Khula Sizwe Property Holdings (RF) Limited, a public company with limited liability duly incorporated and registered in accordance with the laws of South Africa, being the entity set up to acquire the Properties;

“Khula Sizwe Account” the bank account at Nedbank designated to receive application monies for purposes of the Public Offer;

“Khula Sizwe Board” or “Khula Sizwe Directors” the board of directors of Khula Sizwe as constituted from time to time;

“Khula Sizwe MOI” the memorandum of incorporation adopted by Khula Sizwe in terms of the Companies Act, as amended from time to time;
“Khula Sizwe Shares” ordinary shares of no par value in the share capital of Khula Sizwe with the rights and obligations set out in the Khula Sizwe MOI;

“Khula Sizwe Shareholder” or “Shareholder” the person who is the Beneficial Holder of such Dematerialised Shares from time to time and includes, where applicable and as the context requires, the Nominee Holder thereof;

“Khula Sizwe Subscription Agreement” a written agreement between Khula Sizwe and Barloworld, dated 16 November 2018, in terms of which Khula Sizwe agrees to utilise its available cash to subscribe for Barloworld Shares from time to time subject to any regulatory and/or shareholder approvals required at the time;

“Labour Relations Act” the Labour Relations Act, 1995 (Act 66 of 1995), as amended from time to time;

“Lease/s” the leases in relation to each Property, initially between Barloworld and the Lessees, and which will assign to Khula Sizwe pursuant to the Sale as set out in the Property Lease Agreements;

“Lessees” Barloworld SA and Barloworld Logistics;

“Lock-in Period” the period commencing on the Implementation Date and expiring on the 5th anniversary of the Implementation Date;

“m²” square metres;

“Management” collectively, Junior Managers and Senior Managers, and “Manager” shall have a corresponding meaning;

“Management Trust” the trustees for the time being of the Khula Sizwe Management Trust (Master’s reference IT002614/2018(T)), a trust established in terms of the Management Trust Deed under the laws of South Africa and registered as such with the relevant Master of the High Court;

“Management Trust Deed” the trust deed between Barloworld and the trustees for the time being of the Management Trust, dated 16 November 2018;

“Management Trust Loan” an interest-free loan in an aggregate amount of R207 million to be advanced by Barloworld to the Management Trust to fund the subscription by the Management Trust for its 38% interest in Khula Sizwe, as more fully described in paragraph 11.2.7.4.2 in Section 1 of this Prospectus. Such loan may increase to a maximum of R370 million if the Public Offer is not implemented or terminated and the Management Trust comes to hold a maximum of 68% interest in Khula Sizwe. The quantum will be reduced by the R8 million own-equity contribution by Senior Managers;

“Management Trust Loan Agreement” the written agreement between Barloworld and the Management Trust, dated 16 November 2018, as amended by the Amendment Agreement, in terms of which Barloworld advances the Management Trust Loan to the Management Trust to enable the Management Trust to subscribe for Khula Sizwe Shares;

“Management Trust Subscription Agreement” the written agreement between the Management Trust and Khula Sizwe, dated 16 November 2018, as amended by the Amendment Agreement, in terms of which the Management Trust subscribes for Khula Sizwe Shares equating to approximately 38% of Khula Sizwe’s issued share capital following the allotment and issue of all of the Khula Sizwe Shares which are the subject matter of the Public Offer, or up to a maximum of 68% if the Public Offer is not implemented or is terminated;

“Material Contracts” the Framework Agreement, the Khula Sizwe Subscription Agreement, the Employee Trust Subscription Agreement, the Management Trust Subscription Agreement, the Property Lease Agreements (incorporating the Barloworld Lease Guarantee), the Property Sale Agreement, the External Loan Agreement, the Amendment Agreement and any other material contracts set out on page 27 and set out in Annexure 6 to this Prospectus;

“Maximum Shareholding Limit” 30% of the Khula Sizwe Shares in issue from time to time, or such higher percentage as Khula Sizwe may determine from time to time;

“Minimum Subscription Amount” the minimum subscription amount that must be raised by Khula Sizwe pursuant to the Public Offer, being an amount R120 million;
“NACM” nominal annual compounded monthly in arrears;

“Nedbank” Nedbank Limited (Registration number 1951/000009/06), a public company registered and incorporated in accordance with the laws of South Africa;

“Nominee” has the meaning given to this term in the Financial Markets Act;

“Nominee Holder” in relation to any Dematerialised Shares, the person who from time to time holds such shares as a Nominee;

“Notice of General Meeting” the notice convening the General Meeting which was attached to and forms part of the Circular;

“Offer Period” the period between the opening of the Public Offer and its closing, being from 09:00 on Wednesday, 10 April 2019 to 16:00 on Friday, 31 May 2019;

“Offer Price” R10 per Khula Sizwe Share;

“oversubscription” or “oversubscribed” references to “oversubscription” (or “oversubscribed”) refer to applications for subscription under the Public Offer;

“Participant” a person authorised by Strate to perform custody and administrative services or settlement services or both, in terms of the rules of Strate issued in terms of the Financial Markets Act, and includes an external participant, where appropriate;

“Prime” means the rate of interest (NACM) from time to time published by the relevant reference bank, initially Nedbank, as its prime overdraft lending rate (a certificate from any manager of that bank, whose appointment or authority need not be proved, as to the prime rate at any time and the usual way in which it is calculated and compounded at such time, in the absence of manifest or clerical error, shall be final and binding on the relevant parties);

“Properties” the immovable properties that are the subject of the Acquisition, details of which are set out in Annexure 1 to this Prospectus;

“Properties’ Market Value” an amount of R2.729 billion, being the market value of the Properties as determined by the Independent Property Valuer, as more fully set out in the independent Property Valuation Report initially included in the Barloworld Circular and reproduced herewith as Annexure 1 to this Prospectus;

“Property Lease Agreements” the written agreements substantially in the form of the draft annexed to the Property Sale Agreement (as Schedule 3 thereto) between Barloworld and the Lessees as amended by the Amendment Agreement to be entered into immediately after the Barloworld Internal Restructure, in terms of which Barloworld leases the Properties to the Lessees. Barloworld’s rights and obligations in and to such agreements will be assigned to Khula Sizwe by operation of law pursuant to the transfer of ownership of the Properties to Khula Sizwe in terms of the Property Sale Agreement;

“Property Sale Agreement” the sale of properties and rental enterprise agreements between Khula Sizwe and Barloworld, dated 16 November 2018, as amended by the Amendment Agreement, in terms of which Barloworld disposes of the Properties and its rights and obligations to the Property Lease Agreements are assigned to Khula Sizwe;

“Property Sector Code” the Amended Property Sector Code published in Government Gazette No 560, on 9 June 2017;

“Property Valuation Report” the report, abridged (as reproduced in Annexure 1 to this Prospectus), prepared by the Independent Property Valuer in respect of the Properties;

“Prospectus” this entire document and all the annexures to it;

“Public Offer” an offer to the public in terms of which Black People and Black Groups are invited to subscribe for Khula Sizwe Shares as described on page 39 of this Prospectus;

“Public Offer Closing Date” the date on which the Public Offer will close, presently being Friday, 31 May 2019;
“Qualifying Transaction” as defined in Part 2 of Schedule 1 of the BEE Codes, being a sale of a business, valuable business assets or shares that results in the creation of sustainable business opportunities and transfer of specialised skills or productive capacity to Black People;

“Rand” or “R” South African Rand, the official currency of South Africa;

“Register” the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant Participants;

“Registered Office of Khula Sizwe” the registered office of Khula Sizwe, being 61 Katherine Street, Sandown, Sandton, 2196, South Africa;

“Sale” the disposal by Barloworld of the Properties to Khula Sizwe, as set out in the Property Sale Agreement;

“Senior Managers” permanent employees (who are South African citizens) of the Barloworld Group in Global Grades 15 and above, whose employment location is South Africa (including employees on temporary assignment outside of South Africa) who qualify to be participants in the Management Trust;

“Share Administration Agent” Velocity Trade;

“SMS” Short Message Service is a service for sending short messages to mobile devices;

“South Africa” the Republic of South Africa;

“Specific Issue of Shares to the Foundation” the specific issue of the Foundation Shares for cash at their par value, to the Foundation in terms of the JSE Listings Requirements and the Foundation Subscription Agreement;

“Specific Repurchase” the specific repurchase of the Foundation Shares from the Foundation as a result of a breach by the Foundation of its material obligations under the Transaction Agreements, as more fully described in the Circular;

“Strate” Strate Proprietary Limited (Registration number 1998/022242/07), a private company with limited liability duly registered and incorporated in accordance with the laws of South Africa, and which is a registered central securities depository under the Financial Markets Act and which is responsible for the electronic settlement system used by the JSE;

“Subsidiary(ies)” a subsidiary as defined in section 1 (and the meaning determined in accordance with section 3) of the Companies Act;

“Target Equity Raise” an amount of R163.4 million;

“Transaction Agreements” the Framework Agreement, the Khula Sizwe MOI, the Khula Sizwe Subscription Agreement, the Employee Trust Deed, the Employee Trust Contribution Agreement, the Employee Trust Subscription Agreement, the Management Trust Deed, the Management Trust Loan Agreement, the Management Trust Subscription Agreement, the Property Lease Agreements (incorporating the Barloworld Lease Guarantee), the Property Sale Agreement, the Foundation Trust Deed and the Foundation Subscription Agreement, as amended by the Amendment Agreement to the extent applicable;

“Transfer Secretary” means the transfer secretary of Khula Sizwe as may be appointed from time to time, currently Velocity Trade;

“Triple Net Lease” a lease in terms of which the lessee pays all of the operating costs of the leased property;
“Uncertificated Register” the uncertificated register of Dematerialised Shareholders of Khula Sizwe maintained in terms of the Companies Act and administered by a shareholder's Participant in electronic form, which forms part of the Register;

“Valid BEE Ownership Certificate” a BEE ownership certificate based on a Black Group's current shareholding, valid until at least 31 Dec 2019 and issued by a Valid BEE Verification Agency reflecting the matters set out in paragraph 6.2.2.4 of Section 2 of this Prospectus;

“Valid BEE Verification Agency” a BEE verification agency that has applied for and been granted accreditation from the South African National Accreditation System;

“VAT” Value Added Tax as contemplated in the Value-Added Tax Act, 1991 (89 of 1991), as amended from time to time;

“Velocity Nominees” Velocity Nominees (RF) Proprietary Limited (Registration number 2010/015205/07), a private company with limited liability duly incorporated and registered in accordance with the laws of South Africa, and a wholly owned subsidiary of Velocity Trade;

“Velocity Terms and Conditions” the terms and conditions regulating inter alia the online portal created and administered by Velocity Trade through which Applicants will submit their Application Forms and, in respect of the Applicants whose Application Forms have been accepted, to act as a Nominee Holder/Custodian and act as an intermediary for purposes of inter alia purchasing or acquiring shares as contemplated in the Khula Sizwe MOI;

“Velocity Trade” Velocity Trade Financial Services Proprietary Limited (Registration number 2010/010415/07), a private company with limited liability duly incorporated and registered in accordance with the laws of South Africa;

“Verified Khula Sizwe Shareholder” or “Verified Shareholder” is as defined in the Khula Sizwe MOI;

“VWAP” volume weighted average price; and

“Walk-in Centre” a Walk-in Centre is a physical location where an applicant can visit to get assistance in submitting an online application towards the Public Offer. These Walk-in Centres are located at the following addresses:

- **Gauteng:**
  - Velocity Trade: Corner 2 Payne Road and Main Office Park, Bryanston, Johannesburg, South Africa; and

- **Western Cape:**
  - Velocity Trade: 1st Floor, 200 on Main, 200 Main Road, Claremont, Cape Town, South Africa.
DOCUMENTS AVAILABLE FOR INSPECTION:
The following documents will be available for inspection at the Registered Office of Khula Sizwe from Wednesday, 10 April 2019 to Friday, 31 May 2019, during normal business hours: [Reg 53]

- A signed copy of this Prospectus;
- The Khula Sizwe MOI;
- The Material Contracts as detailed in Annexure 6 to this Prospectus;
- The signed abridged Property Valuation Report of the Independent Property Valuer on the Properties, the text of which is included in this Prospectus at Annexure 1;
- The pro forma take-on statement of financial position as at 1 October 2019 included in paragraph 11.3.4 of section 1 of this Prospectus;
- The pro forma forecast statements of financial position as at 30 September 2020 and 30 September 2021, statements of comprehensive income and statement of cash flows for the years ending 30 September 2020 and 30 September 2021 included in this Prospectus at Annexure 4;
- The signed reports of the Independent Registered Auditors are set out in Annexures 3 and 5 of this Prospectus;
- The consent letters of Tamela as corporate adviser to Khula Sizwe, as Corporate Adviser to Barloworld, as Transaction Sponsor to Barloworld, SizweNtsalubaGobodo Grant Thornton Inc as Independent Registered Auditors to Khula Sizwe, Poswa as legal advisers to Khula Sizwe, Nedbank as arranger and funder to Khula Sizwe, Velocity Trade as Share Administration Agent to Khula Sizwe, Velocity Nominees as Custody Agent to Khula Sizwe, Dentons as legal adviser to Barloworld and Broll as Independent Property Valuer to Barloworld;
- A copy of the Circular dated 18 December 2018;
- The powers of attorney, if applicable, and resolutions authorising the signing of the Prospectus; and
- Velocity Terms and Conditions.
SECTION 1: INFORMATION ABOUT KHULA SIZWE [Reg 56]

This Section provides an overview of the main business of Khula Sizwe, its future prospects and its performance.

1. NAME, ADDRESS AND INCORPORATION [Reg 57]

1.1 Khula Sizwe Property Holdings (RF) Limited (Registration number 2018/546305/06) (formerly Main Street 1646 (RF) Limited), was registered and incorporated as a public company with the CIPC on 16 October 2018.

1.2 Khula Sizwe was incorporated for the specific purpose of facilitating the achievement by Barloworld of its empowerment objectives as contemplated in the B-BBEE Transaction. The only issued ordinary share is held by the Management Trust and as such Khula Sizwe is a subsidiary of the Management Trust.

1.3 The address of Khula Sizwe's registered office (which is also Khula Sizwe's primary place of carrying on business in South Africa) is set out in the “Corporate Information and Advisers” Section of this Prospectus.

1.4 The address of the registered office of the Management Trust is 61 Katherine Street, Sandown, Sandton, Johannesburg, South Africa.

2. KHULA SIZWE DIRECTORS, OTHER OFFICE HOLDERS, OR MATERIAL THIRD PARTIES [Reg 58]

2.1 Approach to corporate governance [Reg 54(1)(b)]

2.1.1 The Khula Sizwe Board embraces the principles of good corporate governance as espoused in the guidelines of the King IV Report on Corporate Governance for South Africa 2016 (“King IV”).

2.1.2 The Khula Sizwe Board is committed to doing business ethically while also building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and the environment. The board believes ethical leadership is the foundation upon which they create value for their stakeholders.

2.1.3 The Khula Sizwe Board has adopted a general statement of intent with regards to governance, including adherence to the provisions of King IV. The board will attend to the analysis and implementation, where necessary, of every recommendation of King IV in due course once it is operational.

2.2 Khula Sizwe Directors

2.2.1 Khula Sizwe currently has a unitary board structure comprising only of three (3) Khula Sizwe non-executive Directors whose details are set out in paragraph 2.2.2 below. The current Khula Sizwe Directors were appointed by Barloworld for purposes of the conclusion and implementation of the B-BBEE Transaction. Following the implementation of the B-BBEE Transaction and the Public Offer, the Khula Sizwe Board will be reconstituted in accordance with the applicable provisions of the Khula Sizwe MOI, which will include the appointment of up to four (4) independent Khula Sizwe non-executive Directors. In terms of the Khula Sizwe MOI, the composition of the Khula Sizwe Board is to be constituted as follows:

2.2.1.1 the majority of Khula Sizwe Directors must be independent of Barloworld, the Management Trust and the Employee Trust;

2.2.1.2 at least 80% of the Khula Sizwe Directors (and their Khula Sizwe alternate Directors), who shall be entitled to exercise at least 80% of the voting rights of directors at meetings of the Board, shall be Black Persons;

2.2.1.3 in excess of 25% of the Khula Sizwe Directors (who shall be entitled to exercise in excess of 25% of the voting rights of Khula Sizwe Directors at meetings of the Khula Sizwe Board) shall be Black People who are women;

2.2.1.4 the number of Khula Sizwe Directors shall not be less than four (4) and not more than seven (7).

2.2.2 The current Khula Sizwe Directors are: [Reg 58(2)(a)]

<table>
<thead>
<tr>
<th>Name and nationality</th>
<th>Occupation</th>
<th>Qualification</th>
<th>Business address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tantaswa Fubu (South African)</td>
<td>Non-Executive Director</td>
<td>CA(SA)</td>
<td>61 Katherine Street, Sandton</td>
</tr>
<tr>
<td>Rebecca Louise Pole (Australian)</td>
<td>Non-Executive Director</td>
<td>CA(SA)</td>
<td>61 Katherine Street, Sandton</td>
</tr>
<tr>
<td>Gugu Jonitha Sepamla (South African)</td>
<td>Non-Executive Director</td>
<td>MBA</td>
<td>61 Katherine Street, Sandton</td>
</tr>
</tbody>
</table>

2.2.3 The names and business addresses of the Company’s Legal Adviser, the Independent Registered Auditors and
the Company Secretary are set out in “Corporate Information and Advisers” Section of this Prospectus. The Company Secretary is The Barloworld Trust Company, represented by Andiswa Ndoni (B.Proc., LLB, Global Executive Development Programme). [Reg 58(2)(b)]

2.3 Appointment of Khula Sizwe Directors

2.3.1 The Khula Sizwe Board shall provide the Khula Sizwe Shareholders with a recommendation in the notice of the meeting at which the election or re-election of Khula Sizwe Directors is proposed. Any Khula Sizwe Shareholder shall have the right to nominate Khula Sizwe Directors in accordance with the nomination rights granted to it under the Khula Sizwe MOI, provided such nominee meets the requirements set out in the Khula Sizwe MOI with regards to Khula Sizwe Directors. The Khula Sizwe MOI also provides the Management Trust and the Employee Trust, respectively, with the right to nominate persons for election to the Khula Sizwe Board on the following basis:

2.3.1.1 the Management Trust shall, for so long as it is a Khula Sizwe Shareholder, be entitled by written notice to the Company to nominate two (2) Khula Sizwe Directors (and their alternate Khula Sizwe Directors); and

2.3.1.2 the Employee Trust shall, for so long as it is a Khula Sizwe Shareholder, be entitled to nominate one (1) Khula Sizwe Director (and his/her alternate Khula Sizwe Director) for election, and each of such nominated persons must:

2.3.1.2.1 be a Black Person; and

2.3.1.2.2 meet the criteria prescribed by law from time to time.

2.3.2 The Khula Sizwe Shareholders have undertaken to vote in favour of the election of any person/s nominated to be Khula Sizwe Director/s or alternate Khula Sizwe Directors by any person in accordance with the nomination rights granted to it under the Transaction Agreements provided such nominee meets the requirements set out in the Khula Sizwe MOI.

2.3.3 All Khula Sizwe Directors shall be elected by an ordinary resolution of the Khula Sizwe Shareholders passed in accordance with section 60 of the Companies Act at a general or annual general meeting of Khula Sizwe.

2.4 Rotation of Khula Sizwe Directors

2.4.1 No Khula Sizwe Director shall be appointed for an indefinite period.

2.4.2 At each annual general meeting of Khula Sizwe one third (1/3) of the Khula Sizwe Directors for the time being, or if their number is not three (3) or a multiple of three (3), the number nearest to one third (1/3) but not less than one third (1/3), shall retire from office.

2.4.3 The Khula Sizwe Directors to retire every year will be:

2.4.3.1 Firstly, those who have been appointed to fill a casual vacancy or an additional appointment to the Khula Sizwe Board; and

2.4.3.2 Secondly, those who have been longest in the office since their last election, but as between persons who were elected as non-executive Khula Sizwe Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

2.5 Khula Sizwe Directors’ remuneration [Reg 58(3)(b)]

2.5.1 Khula Sizwe Directors’ remuneration will be determined by the Khula Sizwe Shareholders in general meetings, but subject always to the limits on administration costs applicable to Khula Sizwe under the Transaction Agreements. The remuneration applicable to the current Khula Sizwe Directors until the first annual general meeting will not exceed:

<table>
<thead>
<tr>
<th>Role</th>
<th>Total annually</th>
<th>Attendance fee per meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson</td>
<td>R300 000</td>
<td>R35 000</td>
</tr>
<tr>
<td>Director</td>
<td>R200 000</td>
<td>R30 000</td>
</tr>
</tbody>
</table>
2.5.2 The remuneration of members of the audit committee (once appointed), and that of the Khula Sizwe Directors in respect of special assignments/projects per day/ad hoc work, will not exceed:

<table>
<thead>
<tr>
<th>Attendance fee per meeting</th>
<th>Total annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson R100 000</td>
<td>R25 000</td>
</tr>
<tr>
<td>Director R75 000</td>
<td>R20 000</td>
</tr>
</tbody>
</table>

2.5.3 The Khula Sizwe Directors will be paid their reasonable travelling and other expenses necessarily incurred by them in conducting Khula Sizwe’s business and attending meetings of the Khula Sizwe Board.

2.6 Borrowing powers of Khula Sizwe Directors [Reg 58(3)(c)]

2.6.1 The Khula Sizwe MOI does not restrict the authority of the Khula Sizwe Board and as such the Khula Sizwe Board has the authority to exercise all borrowing powers of Khula Sizwe as the Khula Sizwe Board sees fit.

2.6.2 The borrowing powers of Khula Sizwe and the authority of the Khula Sizwe Board to exercise the borrowing powers may only be restricted by means of an amendment to the Khula Sizwe MOI.

2.7 Management of Khula Sizwe [Reg 58(3)(d)]

The Properties will be managed by a wholly owned company which is yet to be formed for the specific purpose of managing the Properties (“Khula Sizwe Manco”), in terms of a separate management agreement to be entered into between Khula Sizwe and Khula Sizwe Manco. The management company will be paid a fee equal to 3% of the monthly rental income by Barloworld. Khula Sizwe and Barloworld will recruit suitably qualified executives for Khula Sizwe Manco to manage the day to day affairs of Khula Sizwe. Khula Sizwe Manco will be entitled to outsource such functions of the management of the company as it deems fit to third parties.

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF KHULA SIZWE [Reg 59]

3.1 History and general business description

3.1.1 Khula Sizwe was incorporated as a public company on 16 October 2018 as a vehicle to facilitate the achievement by Barloworld of its empowerment objectives. Khula Sizwe’s business is that of: [Reg 59(2)(a)]

3.1.1.1 acquiring, owning and leasing, after the implementation of the Transaction Agreements, the Khula Sizwe Properties and any other properties as more fully described in paragraph 3.2 below; and

3.1.1.2 acquiring and owning Barloworld Shares.

3.1.2 At incorporation, Khula Sizwe had one issued ordinary share, which was issued to Barloworld in order to facilitate the incorporation of the entity. The share issued to Barloworld was acquired by the Management Trust from Barloworld on 21 February 2019, resulting in the Management Trust being the current sole shareholder of Khula Sizwe.

3.1.3 Following the subscriptions by the Black Public, the Employee Trust and the Management Trust on the Implementation Date, the Khula Sizwe Shares will be held as follows:

3.1.3.1 Black Public – 30%;

3.1.3.2 Employee Trust – 32%; and

3.1.3.3 the Management Trust 38% or up to a maximum of 68% should the Public Offer not be implemented in full.

The Management Trust and the Employee Trust will subscribe for their respective shareholdings in Khula Sizwe through the implementation of the Management Trust Subscription Agreement and the Employee Trust Subscription Agreement, respectively, which will take effect on the Implementation Date.

3.2 Detailed Business Description

3.2.1 The main object of Khula Sizwe shall be to:

3.2.1.1 acquire, own, hold and lease immoveable fixed properties (including, without limitation, the Properties), initially as part of the B-BBEE Transaction in respect of Barloworld, and to manage such properties (including without limitation receiving rental therefrom) for the benefit of Black People, in the normal and ordinary course of its business as a property holding and management company, and to engage in capital raising from time to time for these purposes (whether through debt or equity);
3.2.1.2 acquire, own and hold the Barloworld Shares (and receive and distribute dividends and other distributions from Barloworld in respect of the Barloworld Shares) utilising, the available cash and to manage such for the benefit of Khula Sizwe Shareholders; and

3.2.1.3 negotiate, conclude, implement and exercise its rights and perform its obligations in terms of the Transaction Agreements and such other agreements as may be necessary to establish the business of Khula Sizwe as a Black Company;

3.2.2 Khula Sizwe may also acquire, lease and manage such other properties as may be determined by Khula Sizwe from time to time; and

3.2.3 Khula Sizwe's capacity and authority (and that of the Khula Sizwe Board) is accordingly limited to these purposes. These limitations are set out in the Khula Sizwe MOI, an extract of such key limitations is included in Annexure 2 to this Prospectus.

3.3 Material changes [Reg 59(3)(b)]

3.3.1 Since the incorporation of Khula Sizwe, it has:

3.3.1.1 concluded Transaction Agreements to which it is a party and adopted the Khula Sizwe MOI; and

3.3.1.2 taken various preparatory steps to make the Public Offer.

3.3.2 No other material changes in the assets or liabilities of Khula Sizwe or the state of affairs of Khula Sizwe have taken place between the date of incorporation of the Company and the date of this Prospectus.

3.4 Prospects [Reg 59(3)(c)]

3.4.1 As part of the acquisition of the Properties, Khula Sizwe has entered into a ten-year (10-year) Property Lease Agreement with Barloworld. The Property Lease Agreement guarantees a stream of cash flows to Khula Sizwe for a period of ten (10) years. This stream of cash flows will increase by 8% per annum.

3.4.2 Khula Sizwe's prospects are linked to the continued existence of Barloworld, which is a blue-chip South African company listed on the JSE, with secondary listings on the London Stock Exchange and the Namibian Stock Exchange.

3.4.3 There is greater certainty of cash flows in a property transaction due to the Property Lease Agreements and Barloworld's guarantee of the lease payments. The certainty of cash flows lowers the risk of default on the debt obligation and therefore increases the potential for value creation for Khula Sizwe Shareholders.

3.4.4 Interest rate risk, due to fluctuation in interest rates, is hedged by the fact that at least 50% of the loan is based on a fixed interest rate.

3.4.5 Khula Sizwe has the potential to grow its property portfolio and diversify its income stream beyond the initial acquisition of the Properties from Barloworld.

3.4.6 The prospects for Khula Sizwe are also dependent on the factors set out in paragraph 3.5 of this Section 1 of the Prospectus.

3.4.7 Having considered these factors, the Khula Sizwe Directors are of the opinion that the prospects of Khula Sizwe are satisfactory.

3.5 Key factors affecting the value of Khula Sizwe Shares

3.5.1 Following the implementation of the B-BBEE Transaction, Khula Sizwe's only material investments and assets will consist of the Properties.

3.5.2 Consequently, the value of a Khula Sizwe Share will depend primarily on the following key factors:

3.5.2.1 rental income – increasing at 8% per annum for the next ten (10) years in terms of the ten-year (10-year) lease agreement;

3.5.2.2 floating interest rate – linked to Jibar as per the External Loan, for up to 50% of the debt obligation;

3.5.2.3 a minimum of 50% of the External Loan will be on a fixed interest basis;

3.5.2.4 the property market’s performance which could result in appreciation or depreciation of the property valuation; and

3.5.2.5 corporate tax rates.
3.6 Subsidiary companies, principal immovable property and capital commitments

As at the date of issuing this Prospectus, other than as stated herein, Khula Sizwe had no:

3.6.1 subsidiary companies; or
3.6.2 immovable property (owned or leased) other than the proposed acquisition of the Properties; or
3.6.3 material capital commitments, lease payments or contingent liabilities.

4. SHARE CAPITAL OF KHULA SIZWE [Reg 60]

4.1 Authorised and issued share capital on issue date of Prospectus

The table below sets out the authorised and issued share capital of Khula Sizwe as at the date of filing of this Prospectus with CIPC:

<table>
<thead>
<tr>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stated capital</td>
</tr>
<tr>
<td>1 000 000 000 ordinary no par value shares</td>
</tr>
<tr>
<td>Total stated capital</td>
</tr>
<tr>
<td>Issued share capital</td>
</tr>
<tr>
<td>1 ordinary no par value share</td>
</tr>
<tr>
<td>Total issued share capital</td>
</tr>
</tbody>
</table>

4.2 Rights attaching to shares

Each Khula Sizwe Share entitles a Khula Sizwe Shareholder to one vote at a general meeting of Khula Sizwe Shareholders and the right to participate in ordinary distributions by Khula Sizwe if and when declared. The rights to dividends and such other rights attaching to each issued Khula Sizwe Share are set out in Annexure 2 to this Prospectus.

4.3 Alterations to share capital

The only alterations to the share capital of the Company prior to the date of issue of this Prospectus have been:

4.3.1 after incorporation, Khula Sizwe allotted and issued one Khula Sizwe Share to Barloworld; and
4.3.2 the aforementioned one initial Khula Sizwe Share was acquired by the Management Trust from Barloworld on 21 February 2019.
4.3.3 On Implementation Date, 17 430 400 shares will be issued to the Employee Trust, 20 698 600 shares will be issued to the Management Trust and 16 340 000 shares will be issued in terms of the Public Offer if the Target Equity Raise is achieved.

4.4 Authorised and issued share capital on Implementation Date

The table below sets out the authorised and issued share capital of Khula Sizwe as at the Implementation Date:

<table>
<thead>
<tr>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stated capital</td>
</tr>
<tr>
<td>1 000 000 000 ordinary no par value shares</td>
</tr>
<tr>
<td>Total stated capital</td>
</tr>
<tr>
<td>Issued share capital</td>
</tr>
<tr>
<td>54 469 000 ordinary no par value shares</td>
</tr>
<tr>
<td>Total issued share capital</td>
</tr>
</tbody>
</table>

4.5 Public offers in the last three years

There have been no offers for subscription or sale of any Khula Sizwe Shares to the public prior to the date of issue of this Prospectus.
5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES [Reg 61]

Save as provided for in the Khula Sizwe Subscription Agreement, the Management Trust Subscription Agreement and the Employee Trust Subscription Agreement, no options or preferential rights to subscribe for any share in Khula Sizwe, have been granted prior to the date of issue of this Prospectus.

6. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING [Reg 62]

No commissions have been paid or are payable in the last two (2) years by Khula Sizwe, and no commissions are payable in respect of the Public Offer, to any person for subscribing or agreeing to subscribe, or procuring or agreeing to procure, subscription for and/or underwriting of any securities of the Company.

7. MATERIAL CONTRACTS [Reg 63]

7.1 Directors and managerial remuneration, royalties, and secretarial and technical fees payable

The remuneration payable to Khula Sizwe Directors is detailed in paragraph 2.5 of this Section 1 of the Prospectus. The Company has not entered into any agreements relating to the payment of any royalties and fees.

7.2 Material contracts

The only material contracts that have been entered into by Khula Sizwe are the Material Contracts to which it is a party. These contracts are available for inspection at the Registered Office of Khula Sizwe as described on page 27 and set out in Annexure 6 to this Prospectus.

8. INTEREST OF DIRECTORS AND PROMOTERS [Reg 64]

No consideration has been paid, or agreed to be paid, within the previous three (3) years before the date of issue of this Prospectus to any of the Khula Sizwe Directors or to any associate of any of the Khula Sizwe Directors to induce such director or associated party to become a Khula Sizwe Director, or to qualify as a Khula Sizwe Director, or for services rendered by him or her or by a company, partnership, syndicate or other association in connection with the promotion or formation of Khula Sizwe.

The Khula Sizwe Directors have no direct or indirect material interest in:

8.1.1 the promotion of Khula Sizwe;

8.1.2 any property proposed to be acquired by Khula Sizwe out of the proceeds of the Public Offer; or

8.1.3 any property acquired or proposed to be acquired by Khula Sizwe during the three (3) years immediately before the date of the Prospectus, other than as employees or shareholders of Barloworld.

The Khula Sizwe Directors are, if they qualify as BEE Participants, not precluded from participating in the Public Offer. Should they so participate, they will not have any special rights or enjoy any special privileges, or be awarded any special allocations.

At the date of issuing the Prospectus, none of the Khula Sizwe Directors held any Khula Sizwe Shares.

Post the Implementation Date, some of the Khula Sizwe Directors will become beneficiaries of the Management Trust.

9. LOANS [Reg 65]

9.1 Khula Sizwe will raise the External Loan from Nedbank including a service fee of R10 million (including VAT) to the value of R2.183 billion equating to approximately 80% of the Acquisition Consideration as set out in paragraph 11.2.7.2 of this Section 1.

9.2 Save for the External Loan, as at the issue date of this Prospectus, Khula Sizwe had no material loans outstanding.

10. SHARES ISSUED OR TO BE ISSUED OTHER THAN FOR CASH [Reg 66]

No securities have been issued, or have been agreed to be issued within the three (3) years immediately before the date of issue of this Prospectus by Khula Sizwe since its incorporation on 16 October 2018, to any person other than for cash.

11. PROPERTY ACQUIRED OR TO BE ACQUIRED [Reg 67]

Save for the Properties, Khula Sizwe has not in the three (3) years preceding the issue date of this Prospectus, and does not propose to, acquire any material immovable property, any other material fixed asset or option to acquire such properties, and has not entered into any agreement to acquire any immovable property or material fixed assets. The list of Properties is more fully set out in Annexure 1 of this Prospectus.
11.1 The Acquisition of Properties by Khula Sizwe

11.1.1 Barloworld has entered into the Property Sale Agreement to sell a portion of the Barloworld Group’s South African property portfolio (subject to the Lease, which will be assigned to Khula Sizwe by operation of law pursuant to the sale), as detailed in Annexure 6 to this Prospectus, to Khula Sizwe, a Black Company, for the Acquisition Consideration. The Properties will be disposed of, as a going concern, and may include the transfer of certain employees, particularly at a managerial level, which will enable the transfer of specialised property skills, expertise and capacity to Khula Sizwe to ensure that over time it can add to its portfolio of properties.

11.1.2 The Properties will be sold by Barloworld as a Qualifying Transaction, as contemplated under Statement 102 of the BEE Codes. Khula Sizwe will be entitled, in its sole discretion, to dispose of any of the Properties, after the expiry of three (3) years from the Implementation Date, subject to Barloworld having a right of first refusal to purchase the Properties; provided that they obtain any regulatory and/or Khula Sizwe Shareholder and Barloworld Shareholder approvals required at the time. The right of first refusal is granted to Barloworld to ensure its business sustainability insofar as it relates to the operation of its business from the Properties.

11.1.3 Pursuant to the Barloworld Internal Restructure, the Lessees will enter into the Property Lease Agreements with Barloworld in respect of the Properties. Barloworld’s rights and obligations in and to the Property Lease Agreements will be assigned to Khula Sizwe, by operation of law, pursuant to the transfer of ownership of the Properties in terms of the Property Sale Agreement. The Leases are Triple Net Leases, which will expire on the tenth (10th) anniversary of the Implementation Date, with the Lessees having an option to extend the Leases for a further five (5) years. Subject to the Property Lease Agreements, Khula Sizwe shall not be precluded from leasing any property it holds to any third party.

11.1.4 The salient terms of the Acquisition of the Properties are as follows:

11.1.4.1 The Acquisition Consideration is R2.716 billion and has been derived as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>R’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>As-is Properties’ Market Value (31 August 2018)</td>
<td>2 729</td>
</tr>
<tr>
<td>Development expenditure</td>
<td>130</td>
</tr>
<tr>
<td>Post development market value</td>
<td>2 859</td>
</tr>
<tr>
<td>Discount on post development market value (5%)</td>
<td>(143)</td>
</tr>
<tr>
<td>Acquisition Consideration</td>
<td>2 716</td>
</tr>
</tbody>
</table>

11.1.4.2 Properties’ Market Value is R2.859 billion post development;

11.1.4.3 The Properties were valued on the basis of a year 1 yield of 9.1%;

11.1.4.4 In order to facilitate the B-BBEE Transaction, a discount of 5% is applied to the Properties’ Market Value (adjusted for the R130 million development expenditure) i.e. the Acquisition Consideration is circa R2.716 billion;

11.1.4.5 The expected capital structure of the purchase of the Properties by Khula Sizwe is circa 80% debt (from the External Funder) and 20% equity from Khula Sizwe’s shareholders:

11.1.4.5.1 Khula Sizwe will raise the balance of the Acquisition Consideration, approximately R544 million, in the form of equity, by issuing Khula Sizwe Shares to the Management Trust, the Employee Trust and the Black Public.

11.1.4.5.2 Khula Sizwe will raise R2.183 billion of the Acquisition Consideration in the form of the External Loan from the External Funder including the service fee of R10 million (including VAT).
11.2 Particulars of the Properties to be acquired by Khula Sizwe:

11.2.1 The Properties comprise commercial, industrial and retail properties situated throughout South Africa and as further disclosed below and in Annexure 1 to this Prospectus:

<table>
<thead>
<tr>
<th>Property type</th>
<th>Market Value</th>
<th>Yield</th>
<th>Year 1 rental</th>
<th>Lease tenure</th>
<th>GLA</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Retail</td>
<td>R1.68 billion</td>
<td>8.83%</td>
<td>R148 million</td>
<td>10 years</td>
<td>128 913</td>
<td>0%</td>
</tr>
<tr>
<td>Industrial</td>
<td>R914 million</td>
<td>9.26%</td>
<td>R85 million</td>
<td>10 years</td>
<td>140 995</td>
<td>0%</td>
</tr>
<tr>
<td>Commercial</td>
<td>R95 million</td>
<td>9.00%</td>
<td>R8 million</td>
<td>10 years</td>
<td>9 150</td>
<td>0%</td>
</tr>
<tr>
<td>Mixed – Commercial and Industrial</td>
<td>R13 million</td>
<td>9.00%</td>
<td>R1 million</td>
<td>10 years</td>
<td>5 264</td>
<td>0%</td>
</tr>
<tr>
<td>Residential</td>
<td>R29 million</td>
<td>9.38%</td>
<td>R3 million</td>
<td>10 years</td>
<td>595</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R2.73 billion</strong></td>
<td><strong>9.10%</strong></td>
<td><strong>R246 million</strong></td>
<td><strong>284 917</strong></td>
<td><strong>0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Development Properties**

<table>
<thead>
<tr>
<th>Properties</th>
<th>Market Value</th>
<th>Yield</th>
<th>Year 1 rental</th>
<th>Lease tenure</th>
<th>GLA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>R130 million</strong></td>
<td><strong>9.74%</strong></td>
<td><strong>R278 million</strong></td>
<td><strong>291 816</strong></td>
<td></td>
</tr>
</tbody>
</table>

As all Properties are occupied by the Barloworld Group, there are no vacancies.

11.2.2 Acquisition Consideration

The Acquisition Consideration will be paid in cash by Khula Sizwe on the Implementation Date and/or against transfer of the Properties. Khula Sizwe will fund the Acquisition Consideration using a combination of the External Loan and equity pursuant to the subscriptions for Khula Sizwe Shares by the Management Trust, the Employee Trust and the Black Public (through the Public Offer). Refer to paragraph 11.2.7 in this Section 1 of this Prospectus for sources of funding.

11.2.3 Independent Property Valuation

The Independent Property Valuation on the Properties (as set out in Annexure 1 to this Prospectus) has been reproduced from the Circular and is available for inspection.

11.2.4 Financial information relating to the Properties

The financial information on the Properties, which is the responsibility of the Khula Sizwe Directors, is set out in paragraph 11.3 of this Section 1 of this Prospectus and in Annexure 4 to this Prospectus and the Independent Registered Auditors’ report thereon is set out in Annexure 3 to this Prospectus.

11.2.5 Key terms of the Leases

The key terms of the Leases (which are on an arm’s length basis) are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessor</td>
<td>Khula Sizwe</td>
</tr>
<tr>
<td>Lessees</td>
<td>Barloworld SA and Barloworld Logistics</td>
</tr>
<tr>
<td>Type of lease</td>
<td>Triple Net Lease</td>
</tr>
<tr>
<td>Escalation</td>
<td>8% per annum(^1)</td>
</tr>
<tr>
<td>Lease term</td>
<td>10 years(^2)</td>
</tr>
<tr>
<td>Barloworld Lease Guarantee</td>
<td>Barloworld guarantees the Lessees’ lease payment obligations to Khula Sizwe which guarantee will cede to Nedbank in terms of the External Loan Agreement</td>
</tr>
</tbody>
</table>

\(^1\) The valuation of the Properties was conducted as at 31 August 2018. It is expected that the B-BBEE Transaction will be implemented as from 1 October 2019. Therefore, the first year of the Lease with Khula Sizwe as lessor will commence on 1 October 2019 (the Implementation Date), or the date of transfer if later, and end on 30 September 2020, and this would have been subjected to the first escalation of 8% per annum

\(^2\) Barloworld has the right to extend the Lease by a further 5 years
11.2.6 Alternatives post the expiry of the Lease

Khula Sizwe and Barloworld may, at the end of the Lease period (subject to Khula Sizwe Shareholder and Barloworld Shareholder and regulatory approvals required at the time):

11.2.6.1 Extend the term of the Lease for a further period of five (5) years to the end of the Empowerment Period or such other period as may be agreed between them; or

11.2.6.2 Khula Sizwe may, in its discretion, sell the Properties for cash, subject to the right of first refusal granted by Khula Sizwe to Barloworld to acquire the Properties in the event that Khula Sizwe elects to dispose of the Properties. All cash on disposals (subject to shareholder and regulatory approvals required at the time) have been ceded to the External Funder. Khula Sizwe has an obligation to utilise any excess cash from the sale of the Properties (after settling its debts, taxes, costs, making provision for its budgeted operational expenditure and debt) to subscribe for Barloworld Shares, subject to any shareholder and regulatory approvals required at the time; or

11.2.6.3 Khula Sizwe may sell the Properties to Barloworld in exchange for Barloworld Shares and cash sufficient for settling taxes, costs and debt.

11.2.7 Khula Sizwe Funding

11.2.7.1 The table below sets out the sources of funding to discharge Khula Sizwe’s payment obligations in respect of the Acquisition Consideration:

<table>
<thead>
<tr>
<th>Sources of funding</th>
<th>R’m</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Loan (including service fee of R10 million including VAT)</td>
<td>2 183</td>
<td>80.00</td>
</tr>
<tr>
<td>Equity contribution from Public Offer</td>
<td>163</td>
<td>6.00</td>
</tr>
<tr>
<td>Equity contribution from Management Trust</td>
<td>207</td>
<td>7.60</td>
</tr>
<tr>
<td>– Contributed by Senior Management</td>
<td>8</td>
<td>0.29</td>
</tr>
<tr>
<td>– Funded by Barloworld</td>
<td>199</td>
<td>7.32</td>
</tr>
<tr>
<td>Equity contribution from Employee Trust</td>
<td>174</td>
<td>6.40</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>2 727</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of funding</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Barloworld Properties</td>
<td>2 716</td>
<td>100.00</td>
</tr>
<tr>
<td>Service fee for loan</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Cash on balance sheet</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>2 727</td>
<td>100.00</td>
</tr>
</tbody>
</table>

11.2.7.2 Khula Sizwe will raise the External Loan from the External Funder to the value of R2.183 billion including the funding for payment of the upfront service fee equating to 0.4% of the funding amount plus VAT, equating to approximately 80% of the Acquisition Consideration and the remaining R544 million, equating to approximately 20% of the Acquisition Consideration via equity funding from its shareholders, being the Employee Trust, the Management Trust and the Black Public. Salient terms of the funding agreement are as follows:

<table>
<thead>
<tr>
<th>Facility</th>
<th>R2.183 billion (including service fee of 0.4% plus VAT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity Period</td>
<td>120 months</td>
</tr>
<tr>
<td>Interest rate</td>
<td>3 month Jibar plus 1.95% (minimum of 50% to be swapped to a fixed rate)</td>
</tr>
<tr>
<td>Security</td>
<td>• Registration first covering mortgage bonds over the R2.859 billion property portfolio</td>
</tr>
<tr>
<td></td>
<td>• Cession of rental income</td>
</tr>
<tr>
<td></td>
<td>• Cession of insurance proceeds</td>
</tr>
<tr>
<td></td>
<td>• Guarantee by Barloworld of Barloworld SA’s and Barloworld Logistics lease obligations</td>
</tr>
<tr>
<td>Repayment of the External Loan</td>
<td>• For the first 12 months, only interest will be serviced on the External Loan</td>
</tr>
<tr>
<td></td>
<td>• Thereafter, the External Loan will be amortised over the remaining term to a fixed residual of R900 000 000.00</td>
</tr>
</tbody>
</table>
Key Conditions

- A Triple Net Lease between Khula Sizwe and Barloworld South Africa
- Rental income to be deposited into a Nedbank bank account and the account ceded to Nedbank
- At least 50% of the External Loan will be on a fixed interest rate basis
- Future capital expenditure to be communicated timeously to the External Funder
- Cession of proceeds from the disposal of properties to the External Funder

11.2.7.3 Khula Sizwe intends to raise a portion of its equity, approximately R163.4 million, via the Public Offer.

11.2.7.4 Barloworld will provide the Employee Trust Contribution to the Employee Trust, and the Management Trust Loan to the Management Trust in order to facilitate their equity participation in Khula Sizwe as follows:

11.2.7.4.1 The Employee Trust is obliged to pay a subscription price of circa R174.3 million for the Khula Sizwe Shares in terms of the Employee Trust Subscription Agreement, which shares will, following their issue and the issue of Khula Sizwe Shares to the Management Trust and the Black Public, constitute approximately 32% of the entire issued share capital of Khula Sizwe. Barloworld will provide the Employee Trust Contribution to the Employee Trust in terms of the Employee Trust Contribution Agreement to enable the Employee Trust to subscribe for its Khula Sizwe Shares under the Employee Trust Subscription Agreement; and

11.2.7.4.2 The Management Trust is obliged to pay a subscription price of circa R207 million (or up to R370 million if the Public Offer is not implemented in full) for the Khula Sizwe Shares in terms of the Management Trust Subscription Agreement, which shares will, following their issue and the issue of the Khula Sizwe Shares to the Employee Trust and the Black Public, constitute approximately 38% (or up to approximately 68% if the Public Offer is not implemented in full) of the entire issued share capital of Khula Sizwe. Barloworld will provide funding to the Management Trust in the form of the Management Trust Loan to enable the Management Trust to subscribe for its Khula Sizwe Shares under the Management Trust Subscription Agreement as follows:

11.2.7.4.2.1 Senior Managers: Senior Managers will be required to make a capital contribution to the Management Trust equal to circa R8.0 million (being 5% of the subscription price for Khula Sizwe Shares attributable to their beneficial interest in the Management Trust to be awarded to Senior Managers). These capital contributions will be used by the Management Trust to reduce the amount outstanding under the Management Trust Loan Agreement; and

11.2.7.4.2.2 Junior Managers: Junior Managers will not be required to make any capital contribution to the Management Trust. Barloworld will fund 100% of the Junior Managers’ equity requirement for circa R52 million (or R215 million if the Public Offer is not implemented in full) (with no own equity contribution required), by way of an interest-free loan in terms of the Management Trust Loan Agreement.

11.2.8 Consequences in the event that the Public Offer fails to raise the Target Equity Raise

The Minimum Subscription Amount to be raised from the Public Offer is approximately R120 million. Any difference between the R163.4 million total equity required and the Minimum Subscription Amount will be subscribed for by the Management Trust. Should the Minimum Subscription Amount not be achieved, the Public Offer will be declared unsuccessful and shall accordingly not be implemented. In such a case, Khula Sizwe will refund you, using your unique Investor Number (KS#). The entire Target Equity Raise of R163.4 million will be subscribed for by the Management Trust.

11.2.9 Effective Date and Implementation Date
11.2.9.1.1 The effective date of the Acquisition, the Lease and the B-BBEE Transaction as a whole is the first Business Day after the fulfilment or waiver of the last of the Conditions Precedent (detailed in paragraph 5 of Section 4 of this Prospectus).

11.2.9.1.2 The Implementation Date of the Acquisition and the Specific Issue of Shares to the Foundation is expected to be 1 October 2019 or such other date as may be determined by Barloworld, after consultation with Khula Sizwe and on written notice to the remaining parties to the Framework Agreement, which shall not be later than 1 October 2020. This is in order to allow sufficient time for Competition Authorities’ approval and the registration of the Properties at the various deeds offices across the country. In respect of specific Properties, transfer of ownership may only take place on or after the Implementation Date.

11.2.9.1.3 Subject to ownership of the property in question having been transferred into the name of Khula Sizwe, Khula Sizwe will be the lessor in respect of that property under the relevant Property Lease Agreement as at 1 October 2019 (or date of transfer, if later).

11.3 Financial Information

11.3.1 Khula Sizwe is a newly incorporated company with no historical performance and no subsidiaries. Consequently, Khula Sizwe has not yet produced annual financial statements and as a result historical financial information for the Company is not available. [Reg 59(2)(b)].

11.3.2 The Khula Sizwe Directors have appointed SNG Grant Thornton as the Independent Registered Auditors to Khula Sizwe, who confirm the statement in paragraph 11.3.1 above, in the Independent Registered Auditor’s report as set out in Annexure 3 to this Prospectus.

11.3.3 Although Khula Sizwe does not have any historic financial information being a newly established company, Khula Sizwe has prepared a pro forma take-on statement of financial position as at 1 October 2019, a pro forma forecast statement of financial position as at 30 September 2020 and 30 September 2021, Statement of comprehensive income and statement of cash flows for the years ending 30 September 2020 and 30 September 2021 as set out in Annexure 4 to this Prospectus. These financial documents have been reviewed by Khula Sizwe’s Independent Registered Auditors and their report is reproduced at Annexure 5 to this Prospectus.

11.3.4 Khula Sizwe’s Statement of Financial Position on Implementation Date is set out as follows:

<table>
<thead>
<tr>
<th></th>
<th>R’million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Properties</td>
<td>2 859</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2 859</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
</tr>
<tr>
<td>Ordinary share capital</td>
<td>544</td>
</tr>
<tr>
<td>Profit on valuation of properties</td>
<td>143</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>External funding (excluding the service fee of R10 million including VAT)</td>
<td>2 172</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>2 859</td>
</tr>
</tbody>
</table>

The above financial information has been reviewed by Khula Sizwe’s Independent Registered Auditors and their report is reproduced at Annexure 5 to this Prospectus.

12. AMOUNTS PAID OR PAYABLE TO PROMOTERS [Reg 68]

As at the issue date of this Prospectus, no amount has been paid or is proposed to be paid and no benefit has been or will be given by Khula Sizwe since its incorporation on 16 October 2018, to any promoter, or to any partnership, syndicate or other association of which the promoter is or was a member, in relation to the issue of Khula Sizwe Shares.
1. PURPOSE OF THE PUBLIC OFFER [Reg 70]

The purpose of the Public Offer is to raise R163.4 million to be applied towards funding a portion of the Acquisition Consideration for the Properties. The reason it is considered necessary to raise the Target Equity Raise through the Public Offer is to provide members of the Black Public with an opportunity to participate in the indirect ownership of the Properties.

2. TIME AND DATE OF THE OPENING AND CLOSING OF THE KHULA SIZWE OFFER [Reg 71]

The Public Offer will open on Wednesday, 10 April 2019 at 09:00 and close on Friday, 31 May 2019 at 16:00.

3. PARTICULARS OF THE PUBLIC OFFER [Reg 72]

Class of Khula Sizwe Shares forming the subject matter of the Public Offer: Ordinary no par value shares (Khula Sizwe Shares)

| Price per Khula Sizwe Share: | R10 |
| Number of Khula Sizwe Shares offered: | 16 340 000 |

The Khula Sizwe Shares allotted and issued pursuant to the Public Offer will rank pari passu (equally) to each other in all respects. The Khula Sizwe Shares will not be listed on any stock exchange for the first five (5) years and restrictions will apply to the Encumbrance, Disposal of and trading in these Khula Sizwe Shares. (See paragraph 10.5 of this Section 2 of the Prospectus for additional information.)

Save for the initial issue of Khula Sizwe Shares as contemplated in paragraph 4 of Section 1 of this Prospectus, Khula Sizwe has not issued any other securities since its incorporation on 16 October 2018, nor has it issued any securities for a premium.

4. MINIMUM SUBSCRIPTION [Reg 73]

The Public Offer is dependent on Khula Sizwe raising a minimum cash amount of at least R120 million (i.e. the Minimum Subscription Amount). If it does not raise the Minimum Subscription Amount, then the Public Offer will be deemed unsuccessful and thus not proceed. In such a case, Khula Sizwe will refund you, using your unique Investor Number (KS#) and the entire Target Equity Raise of R163.4 million will be subscribed for by the Management Trust.

In the event that the aggregate money raised from the Black Public pursuant to the Public Offer is at least R120 million, but is less than R163.4 million, the difference will be subscribed for by the Management Trust.

Applicants must apply for a minimum of 250 Khula Sizwe Shares amounting to R2 500.

No maximum subscription or election limit has been set for any one Applicant, and Applicants can therefore apply for as many Khula Sizwe Shares as are available in the Public Offer.

The Acquisition Consideration, being R2.716 billion, will be settled in part from the proceeds of the issue of Khula Sizwe Shares pursuant to the Public Offer. Khula Sizwe will fund the Acquisition Consideration using a combination of the External Loan and equity contributions pursuant to the subscriptions for Khula Sizwe Shares by the Management Trust, the Employee Trust and the Black Public through the Public Offer.

Rental income collected from the Lessees on a monthly basis, will be applied to reducing the External Loan over its ten (10) year term.

There are no preliminary expenses payable by the Company or a commission payable to any person as consideration for either agreeing to subscribe for Khula Sizwe Shares, or procuring or agreeing to procure subscriptions for Khula Sizwe Shares.

There is no working capital requirement or other expenditure to be funded for Khula Sizwe as part of the Public Offer.

5. QUALIFYING MEMBERS OF THE BLACK PUBLIC

Only Black People and Black Groups qualify to participate in the Public Offer.
6. APPLYING FOR KHULA SIZWE SHARES

6.1 Application procedure

- The application process is set out in detail on pages 3 to 5 of this Prospectus.
- The onus is on you, as an investor in Khula Sizwe, to ensure that whenever your address, contact and/or bank details change, that you advise and provide your updated information to the Khula Sizwe administrator, failing which, you may not receive relevant communications and/or payments. Please note that Applicants must keep informed of any changes of the FICA legislation which may occur after the date of this Prospectus, and will need to comply with any such changes, to the extent applicable.

If you have any questions regarding the application process, please call the Call Centre on 0800 233 733 (toll-free number).

6.2 Supporting Documents

6.2.1 Black People

6.2.1.1 FICA supporting documents

Applicants will be required to be verified for FICA purposes in accordance with the requirements under FICA. Details of the required supporting documents are set out in paragraph 6.2.2.3 of this Section 2 of this Prospectus.

6.2.1.2 Proof of bank account supporting documents

You must provide a copy of your bank statement (not older than three (3) months) stamped by your bank into which Khula Sizwe may pay refunds, dividends and any other payments in connection with your application and/or the Public Offer and your holding of Khula Sizwe Shares thereafter.

6.2.1.3 BEE verification supporting documents

No additional documents are required for BEE verification purposes by Black People.

6.2.2 Black Groups

6.2.2.1 FICA supporting documents

Please note that the authorised representative can fulfil the role of the manager/director, the natural person authorised to establish a business relationship on behalf of the Black Group as well as the natural person authorised to transact on behalf of the Black Group.

Applicants will be required to be verified for FICA purposes by the Call Centre agents in accordance with the requirements under FICA. Details of the required supporting documents are set out in paragraph 6.2.2.3 of this Section 2 of this Prospectus.

6.2.2.2 Proof of bank account supporting documents

Black Groups must provide a copy of their transactional South African bank statement (not older than three (3) months) stamped by their bank into which Khula Sizwe may pay refunds, dividends and any other payments in connection with their Application and/or the Public Offer and their holding of Khula Sizwe Shares thereafter.

6.2.2.3 BEE verification supporting documents

If you are a Black Group:

- Black Groups (companies and close corporations) with revenue less than R50 million
  - Company registration documents;
  - South African ID for all the directors / members;
  - Proof of banking details;
  - Proof of physical address;
  - An affidavit confirming the Black ownership percentage of the group; and
- Detailed information supporting the black ownership as per paragraph 6.2.2.5 below.
- Black Groups (companies and close corporations) with a revenue in excess of R50 million or listed on a stock exchange:
  - Company registration documents;
  - South African ID for all the directors / members;
  - Proof of banking details;
  - Proof of physical address; and
  - BEE Ownership Certificate.

6.2.2.4 Obtaining a Valid BEE Ownership Certificate

An Applicant which is a Black Group may submit an existing Valid BEE Ownership Certificate provided that:

- it was obtained from a Valid BEE Verification Agency;

- it must be valid until at least 30 September 2019;

- it must have a confirmation stated on the Valid BEE Ownership Certificate that the “entity is equal to or more than 51% black owned and controlled (using the flow-through principle)” or “B-BBEE Controlled (company/trust/etc.) and B-BBEE Owned (company/trust/etc.), as defined in the Broad-Based Black Economic Empowerment Act.”;

- it must contain the following information as defined in the BEE Codes using the flow-through principle:
  - % economic interest of Black People (compulsory);
  - % exercisable voting rights of Black People (compulsory);

- it may contain the following information as defined in the BEE Codes using the flow-through principle (not compulsory):
  - % economic interest and exercisable voting rights of black women (if known);
  - % economic interest of black designated groups (if known);
  - % economic interest of black new entrants (if known); and
  - whether the combined shareholding of black designated groups and/or black new entrants are equal to or higher than 5% (if known).

- If you do not have a Valid BEE Ownership Certificate, you can apply for one from a Valid BEE Verification Agency.

It may take at least 15 days to issue a Valid BEE Ownership Certificate. You therefore need to apply as soon as possible.
### 6.2.2.5 BEE verification documents required for Black Groups not submitting a Valid BEE Ownership Certificate

| Sole proprietor | • Certified copy of (i) valid South African green barcoded identity document, or (ii) valid South African identity card (smart card), or (iii) valid South African passport;  
|                 | • Sole proprietor:  
| Company         | • Certificate of incorporation;  
|                 | • Certificate of change of name reflecting the current name of the company (if applicable);  
|                 | • Share register and share certificates;  
|                 | • Latest shareholders agreement and sale of shares agreement with any of the B-BBEE shareholders (if applicable); and  
|                 | • ID copies of at least 51% of the black shareholders. |
| Close corporation | • CK1 (or CK2 if applicable);  
|                 | • Certificate of change of name reflecting the current name of the company (if applicable); and  
|                 | • Latest association agreement and sale of membership interest agreement with any of the B-BBEE members (if applicable). |
| Trusts          | • Trust deed;  
|                 | • Letter of authority issued by the Master of the High Court;  
|                 | • Letter from an independent third party confirming the percentage of black beneficiaries and black female beneficiaries; and  
|                 | • Representation from the trustees to confirm the proportion of distributions towards black females, black designated groups and black new entrants. |
| Partnership     | • Partnership agreement. |
| Non-profit organisation | • Constitution or founding document; and  
|                 | • Letter from an independent third party confirming the percentage of black beneficiaries and black female beneficiaries. |
| Unincorporated entities (Stokvels, Joint Ventures, Syndicates) | • Constitution or founding document;  
|                 | • List of members, including ID numbers; and  
|                 | • ID copies of all black members. |
| Requirements for all Black Groups: | • Declaration of percentage of black new entrants who, either directly or indirectly, hold an effective interest in the Black Group signed by the authorised representative;  
|                 | • Declaration of percentage of black designated groups (applicable for black employee share ownership schemes, black broad-based ownerships schemes, black co-operatives) who, either directly or indirectly, hold an effective interest in the Black Group signed by the authorised representative;  
|                 | • Indirect interests held by Black People require a detailed organogram;  
|                 | • A list of all of the Black People who, both directly or indirectly, hold an effective interest in the Black Group including their names, identity numbers, nationality, gender and effective percentage economic interest held;  
|                 | • BEE Proof of Identity for all of the Black People who, either directly or indirectly, hold an effective interest in the Black Group (i.e. shareholders, members, beneficiaries or partners); and  
|                 | • Financing agreements between the B-BBEE shareholders and the financiers (if applicable). |

Documents already submitted for FICA purposes will not be required to be resubmitted for BEE verification purposes.

### 6.3 Applications irrevocable

Applications for Khula Sizwe Shares under the Public Offer are irrevocable and may not be withdrawn once received by or on behalf of Khula Sizwe, unless Khula Sizwe issues, registers and publishes a supplement to the Prospectus, in which event applications made prior to the date of issue or publication of the supplement may be withdrawn on written notice to Khula Sizwe (in the case of applications under the Public Offer) within 20 business days after the date of publication.
6.4 Obligation to give accurate information

The obligation to give full and accurate information rests on each Applicant.

Khula Sizwe is entitled to verify your details (for BEE, FICA and other purposes) and you are obligated to assist in such verification promptly when requested to do so. Failing to do so may result in your being disqualified from participating in the Public Offer.

Providing false information could result in persons, including Khula Sizwe and Barloworld having claims and rights against you, and could be a criminal offence.

7. PAYMENT FOR KHULA SIZWE SHARES

7.1 Methods of paying for Khula Sizwe Shares

Each Khula Sizwe Share costs R10, and you must apply for at least 250 Khula Sizwe Shares. If you only subscribe for the minimum number of Khula Sizwe Shares, it will cost a minimum of R2 500 and if you subscribe for additional Khula Sizwe Shares it will cost you R2 500 plus R10 for each additional share which is applied for by you. You must pay for all of the Khula Sizwe Shares that you apply for as an Applicant. Payment may be made in one of the following manners:

• **EFT:** EFT payments must be made by latest 16:00 on Friday, 31 May 2019 into the Khula Sizwe account number indicated on the payment instruction (SMSed to you when you submit your Application Form and supporting documents and as reflected below). It is critical that the unique **Investor Number (KS#)** SMSed to you is used as the payment reference at the time of the EFT transfer (i) to avoid the transaction from being rejected due to the funds being unallocated, and (ii) to ensure that the funds are allocated to the correct recipient. Please use the following EFT banking details:
  
  Account name: Barloworld Khula Sizwe  
  Account number: 1144961408  
  Account type: Current account  
  Bank: Nedbank  
  Branch code: 198765  
  Reference: The unique reference number SMSed to you when you submit your Application Form and supporting documents.

• **Cash deposit:** All physical cash payments must be made into the above listed bank account by latest 16:00 on Friday, 31 May 2019 using your unique **Investor Number (KS#)** sent via SMS as the payment reference. You may not make a cash payment of more than R24,999.00 per deposit.

Please note that payment by means of cheques, bank issue cheques, postal orders, credit cards, debit cards and other forms of payment will not be accepted.

7.2 When to pay for Khula Sizwe Shares

• Payment may be made when you submit your Application Form and supporting documents, or payments can be made at a later date but by latest 16:00 on Friday, 31 May 2019.

• If you are paying by EFT, payment must be made by latest 16:00 on Friday, 31 May 2019 and must be made using the unique **Investor Number (KS#)** SMSed to you at the time of or after submitting your Application Form and supporting documents. This unique **Investor Number (KS#)** must be used as the payment reference otherwise the payment will not be credited to you.

• You will not receive interest on money paid into the Khula Sizwe Account. No person who made any payments on your behalf will receive any such refunds. In this regard, see paragraph 8.2 of this Section 2. Please note that refunds are subject to Applicants having complied with FICA.

• The amount which you (and/or any other persons) deposit into the Khula Sizwe Account with your unique **Investor Number (KS#)** will constitute an offer by you to subscribe for Khula Sizwe Shares up to that amount. This amount will be used, if you are successful with your application, to subscribe for as many Khula Sizwe Shares as possible (in multiples of R10) up to the maximum number of Khula Sizwe Shares allocated to you, and any excess amount will be refunded to you without interest (and not to any other person who made any payment on your behalf) as provided in paragraph 8.2 of this Section 2.
8. ALLOCATION OF KHULA SIZWE SHARES

Khula Sizwe, in consultation with the board of Barloworld and in accordance with principles and/or guidelines established by the board of Barloworld, has full discretion over how the Khula Sizwe Shares are ultimately allocated under the Public Offer, and to accept or reject any particular application. Should Khula Sizwe receive valid applications for at least the Minimum Subscription Amount (see paragraph 4 of this Section 2 of the Prospectus), such applications will (in aggregate) be accepted, subject to the relevant further terms and conditions of the Public Offer.

8.1 Preferential allocation

No preferential treatment will be given to Khula Sizwe Directors or employees, directors or employees of Barloworld. In the event of an oversubscription, it is envisaged that preference will be given to Black Persons (i.e. individuals) when scaling back allocations. (See paragraph 8.2 of this Section 2 below.)

8.2 Oversubscription

If there are applications for more than 16 340 000 Khula Sizwe Shares, the Public Offer will have been oversubscribed. If this occurs, it is possible that you may not get all or any of the Khula Sizwe Shares you applied for.

Should the Public Offer be oversubscribed, Khula Sizwe will use its discretion in allocating Khula Sizwe Shares to Applicants under the Public Offer, in accordance with its discretion as further detailed below.

It is presently envisaged that, in order to ensure the broadest possible base of Black Participants, the allocation of Khula Sizwe Shares to the Black Public will generally be made from the bottom up, starting with applications for the least number of Khula Sizwe Shares and with a priority for Black People (i.e. individuals).

Applicants under the Public Offer whose applications are accepted but who are allocated fewer Khula Sizwe Shares than the number they applied for, will be refunded the excess amount of the payment made at the time of their applications without interest. No person who made any payments on behalf of the Applicants or otherwise into the Khula Sizwe bank account using their unique Investor Number (KS#) will receive any refund and any amount which is to be refunded will be paid to the Applicant in full. Please note that refunds are subject to Applicants having complied with FICA and having their bank accounts verified.

If for any reason your application was wholly or partly unsuccessful (including if you were disqualified prior to the allotment and issue of any Khula Sizwe Shares to you, or due to an oversubscription), you will be refunded the relevant amount of your application monies by EFT without interest into your transactional bank account no later than 30 August 2019.

If your application was rejected, or was unsuccessful for any other reason, you will not receive interest on the monies refunded to you. Please note that refunds are subject to Applicants having complied with FICA.

No person who made any payments on behalf of the Applicants or otherwise into the Khula Sizwe bank account using their unique Investor Number (KS#) will receive any such refunds.

8.3 Undersubscription

If fewer than 16 340 000 Khula Sizwe Shares are validly applied for and therefore less than R163.4 million is raised under the Public Offer, the Khula Sizwe Shares available will be subscribed for by the Management Trust. If fewer than 12 000 000 Khula Sizwe Shares are validly applied for and therefore less than R120 million is raised under the Public Offer, the Public Offer will be deemed unsuccessful. In such a case, Khula Sizwe will refund you the amount paid by you (without interest), using your unique Investor Number (KS#). In that event the entire Target Equity Raise of R163.4 million will be subscribed for by the Management Trust. For further details see paragraph 11.2.8 of Section 1 of this Prospectus.

9. RESERVATION OF RIGHTS AND GENERAL DISCRETION

Khula Sizwe reserves the right to accept or refuse any application as it determines in its sole and absolute discretion, and may reject any application or decline to make any allocation at any time prior to Khula Sizwe Shares being allotted and issued thereunder.

Khula Sizwe reserves the right to appoint a Valid BEE Verification Agency, or use other methods acceptable to it, to verify that you are a Black Person or Black Group, but shall not be obliged to do so. You remain fully responsible for the accuracy and completeness of the information set out in your Application Form and for all information provided in connection therewith.
Khula Sizwe also reserves a general discretion to relax or deviate from the specific process or procedures set out herein, including as to cut-off times, and otherwise to exercise general discretion in respect of its receipt and handling of applications and monies under the Public Offer. Khula Sizwe further shall have the right at any time and from time to time to take any action it considers reasonably necessary to correct any errors or omissions which may occur howsoever under or in connection with the Public Offer, and is authorised by each Applicant to take such steps. Although Khula Sizwe accepts no obligation to do so, this right includes the right to correct payment errors into or from the Khula Sizwe Account and/to reverse allocations and/or issues of Khula Sizwe Shares which are allocated and/or issued to an Applicant as a result of another Applicant using the incorrect unique Investor Number (KS#), and to transfer and/or issue the relevant Khula Sizwe Shares to the intended Applicant, and/or to make fresh issues of Khula Sizwe Shares to Applicants and/or otherwise register such Khula Sizwe Shares in its name.

This paragraph 9 of Section 2 of the Prospectus applies notwithstanding anything else to the contrary in the Prospectus.

10. RESTRICTIONS APPLICABLE TO KHULA SIZWE SHARES AND UNDERTAKINGS

10.1 Any dilution in the empowerment credentials of Khula Sizwe may result in Barloworld not achieving its empowerment objectives as contemplated in the Transaction Agreements. In order to avoid that dilution (i) Khula Sizwe has given certain undertakings in favour of Barloworld under the Framework Agreement and (ii) the Khula Sizwe Shares will be subject to certain restrictions as set out in the Khula Sizwe MOI.

10.2 The undertakings and restrictions outlined below are merely a summary of those included in the Framework Agreement and the Khula Sizwe MOI. As Applicants will be bound by the Khula Sizwe MOI, they must familiarise themselves with the terms of the Khula Sizwe MOI.

10.3 General undertakings given by Khula Sizwe in favour of Barloworld

Parties to the Framework Agreement have inter alia made an acknowledgement that in order for Barloworld to claim ownership points (under the B-BBEE ownership scorecard) for the Property Sale Agreement, it would be necessary for the requirements of Statement 102 of the BEE Codes to be complied with. Khula Sizwe has thus given certain undertakings, in favour of Barloworld and the Barloworld Group, which include, but are not limited to the following:

10.3.1 to do all things necessary and within its capacity in order to ensure that:

10.3.1.1 the Property Sale Agreement and the Property Lease Agreements are at all times consistent with Statement 102 of the BEE Codes;

10.3.1.2 the business of Khula Sizwe is conducted in a manner that conforms with Statement 102 of the BEE Codes;

10.3.2 not dispose of any of the Properties during the three (3) year period commencing on the Implementation Date in order to preserve the B-BBEE treatment of the Acquisition under Statement 102 of the BEE Codes;

10.3.3 to use or exercise its reasonable commercial endeavours to procure that:

10.3.3.1 the subscription price received pursuant to the Public Offer, together with the subscription prices contemplated in the Employee Trust Subscription Agreement and the Management Trust Subscription Agreement, is paid by the Implementation Date;

10.3.4 during the Empowerment Period (to the extent that and for so long as Khula Sizwe holds any Properties), it shall, inter alia:

10.3.4.1 comply in all respects with the provisions of the Framework Agreement and the other Transaction Agreements to which it is a party;

10.3.4.2 not issue or permit the transfer of any Khula Sizwe Shares or beneficial interest therein to any person, whether pursuant to the Public Offer or otherwise, other than in accordance with the provisions of the Khula Sizwe MOI;

10.3.4.3 not issue or permit the transfer of any Khula Sizwe Shares or beneficial interest therein to any person, other than to (i) Black Participants or (ii) an Approved Nominee; it being recorded that the Khula Sizwe MOI (i) permits the transfer of Khula Sizwe Shares to beneficiaries of the Employee Trust and the Management Trust who are not Black Participants, and (ii) requires all subsequent transfers to be to Black Participants;

10.3.4.4 be a Black Company for the duration of the Empowerment Period;
10.3.5 subject to the provisions of the Transaction Agreements to which it is a party, at all times during the Empowerment Period procure that:

10.3.5.1 save to the extent permitted in terms of the Framework Agreement, the beneficial interests in all Khula Sizwe Shares shall be owned by Black Participants;

10.3.5.2 the majority of all of the voting rights in Khula Sizwe shall be exercisable, directly or indirectly, by Black People;

10.3.5.3 at least of 80% of the directors of Khula Sizwe shall be Black People and at least 25% of the directors of Khula Sizwe shall be Black People who are women; and

10.3.5.4 no Nominee shall hold Khula Sizwe Shares other than an Approved Nominee for and on behalf of a Beneficial Holder who is a Black Person;

10.3.6 co-operate with Barloworld and take such steps as are reasonably open to it to procure and/or enforce compliance by the Khula Sizwe Shareholders with their obligations under the Khula Sizwe MOI;

10.3.7 not to apply for or take steps to wind up Khula Sizwe (voluntarily or involuntarily) or deregister or subject it to any business rescue provisions or otherwise to cease to be a juristic entity and have control over its business and affairs;

10.3.8 not register the transfer of any Khula Sizwe Shares or beneficial interest therein, and to procure that no transfer is registered, unless such transfer is to an Eligible Khula Sizwe Shareholder;

10.3.9 in respect of a transfer to a Nominee Holder, such person is an Approved Nominee;

10.3.10 not permit any director to be appointed to the Khula Sizwe Board if:

10.3.10.1 as a result of such appointment the majority of the directors of the Khula Sizwe Board are not Black People; or

10.3.10.2 immediately prior to such appointment the minority of the directors of the Khula Sizwe Board are Black People, unless such director is himself a Black Person;

10.3.11 provide such documents and other evidence as may reasonably be requested by Barloworld from time to time to prove to Barloworld, Khula Sizwe’s compliance with its undertakings, if proof is so required by Barloworld, and as and when so required from time to time.

10.3.12 procure that the provisions of the Khula Sizwe MOI relating to the BEE restrictions will not be amended without the prior written consent of Barloworld having been obtained.

10.4 Khula Sizwe Shareholder undertakings

The key undertakings required to be given by Khula Sizwe Shareholders in terms of the Khula Sizwe MOI are:

10.4.1 during the Empowerment Period, each Khula Sizwe Shareholder shall not Dispose or Encumber its/his/her Khula Sizwe Shares or any beneficial interest therein, other than as permitted under the Khula Sizwe MOI;

10.4.2 in respect of any permitted transfer of Khula Sizwe Shares or any beneficial interest therein, he/she/it shall:

10.4.2.1 co-operate fully with the Khula Sizwe Board, the Transfer Secretaries or the relevant verification agent appointed by Khula Sizwe (as applicable) in respect of such transfer;

10.4.2.2 thoroughly check that the transferee Beneficial Holder is, and at the time of transfer will be, an Eligible Khula Sizwe Shareholder or a Verified Khula Sizwe Shareholder, as the case may be (save in respect of any transfer effected in accordance with the B-BBEE Listing terms and conditions on an exchange);

10.4.2.3 ensure that the transferee Beneficial Holder has agreed to be bound by the terms of the Khula Sizwe MOI; and

10.4.2.4 where applicable, that any transferee’s Nominee Holder is an Approved Nominee;

10.4.3 if the Khula Sizwe Shareholder is a Black Group, during the Empowerment Period in respect of Shares acquired by it under the Transaction Agreements, it shall remain a Black Group and shall maintain its B-BBEE status at not less than the level it had at the time it acquired the Khula Sizwe Shares in question:

10.4.3.1 it will immediately notify the Company of any Call Event in respect of itself (or of any matter, fact, event or circumstances which, following the giving of notice and no further steps being taken by the recipient of the notice, will give rise to a Call Event in respect of itself);
10.4.3.2 it will not: (i) perform any act or refrain from performing any act within its power or control or of which it is capable; or (ii) attempt to procure or propose (other than where it is specifically required by law or by a court of law to so procure or propose) any resolution; or (iii) exercise any right as a Khula Sizwe Shareholder in any way; or (iv) enter into any arrangement, transaction or agreement; or (v) otherwise take any action whatsoever or procure the taking of any actions, which (alone or taken together with the acts, omissions or votes of any other person) will or is reasonably likely to (or which, following the giving of notice and no further steps being taken by the recipient of the notice, will or is reasonably likely to) result in the B-BBEE status of the Company diminishing or reducing; and

10.4.3.3 it will, where so requested by Khula Sizwe, exercise such rights as it has as a Khula Sizwe Shareholder to vote in favour of any resolution or take such other action as will itself (or with such other affirmative votes and/or actions by other Khula Sizwe Shareholders) as may be necessary or reasonably required to procure that the Company complies with its obligations as set out in the Transaction Agreements.

10.4.4 each Khula Sizwe Shareholder shall be required to comply with any request from Barloworld (and each member of the Barloworld Group) and/or Khula Sizwe, from time to time (and at least once in every calendar year), requesting amongst others:

10.4.4.1 any information and documents reasonably required by Khula Sizwe and/or Barloworld (or other member of the Barloworld Group) pertaining to such Khula Sizwe Shareholder to enable it/them to determine the B-BBEE Status of such shareholder;

10.4.4.2 confirmation, in writing, of a Khula Sizwe Shareholder's continuing compliance with its obligations under the Khula Sizwe MOI;

10.4.4.3 if it is a juristic person, the preparation and issue by an accredited or approved B-BBEE rating agency of a certificate ("B-BBEE Ownership Certificate of Compliance") recording any or all of the following (as may be requested):

10.4.4.3.1 the identity and composition of the Black Groups and/or Black People in such Khula Sizwe Shareholder and the composition of its board of directors, board of trustees or analogous body; and/or

10.4.4.3.2 whether or not the Khula Sizwe Shareholder qualifies as a Black Group or Black Person; and/or

10.4.4.3.3 the BEE Status of the Khula Sizwe Shareholder; and/or

10.4.4.3.4 any other matter pertaining to such Khula Sizwe Shareholder relevant to an assessment by the Company and/or Barloworld and/or other member of the Barloworld Group of its or their compliance with the BEE requirements.

10.5 Restriction on Disposal or Encumbrance of Khula Sizwe Shares

10.5.1 During the Lock-in Period

With limited exceptions for death and involuntary liquidation/sequestration, no Khula Sizwe Shareholder (other than as contemplated in paragraphs 10.6 to 10.7 of this Section 2) shall at any time during the Lock-in Period, Dispose of or Encumber any Khula Sizwe Share held by it or any beneficial interest therein, or otherwise cease to be the Beneficial Holder thereof.

10.5.2 After the Lock-in Period

In acknowledgement and furtherance of the Barloworld Group's imperative to procure and maintain an optimal BEE rating under the BEE Legislation, each of the Khula Sizwe Shareholders agrees and undertakes in favour of Barloworld that, upon the conclusion of the Lock-in Period and for the remainder of the Empowerment Period:

10.5.2.1 it shall not Encumber any Share (or Beneficial Interest therein) held by it;

10.5.2.2 it shall not Dispose of any Shares (or Beneficial Interest therein) other than to Eligible Shareholders in accordance with the provisions of the Khula Sizwe MOI;
10.5.2.3 with limited exceptions for death and involuntary liquidation/sequestration, only Eligible Shareholders may be Beneficial Holders of Shares and only Nominees approved by Khula Sizwe may be Nominee Holders of Khula Sizwe Shares, and no transfer of any Beneficial Interest or nominee holding shall be permitted unless such transfer has first been approved in writing by the Khula Sizwe Board pursuant to its consideration of any proposed transfer and subject to its verification of the B-BBEE status of the proposed transferee;

10.5.2.4 during the B-BBEE Listing Period, only verified Khula Sizwe Shareholders may be Beneficial Holders of Khula Sizwe Shares and only Nominees approved by Khula Sizwe may be Nominee Holders of Khula Sizwe Shares, and no Disposal may be effected, if such Disposal is inconsistent with the Khula Sizwe MOI.

10.6 Death

10.6.1 Death of a Black Person

10.6.1.1 In the event of the death during the Empowerment Period of a Khula Sizwe Shareholder who is a Black Person, the executor of the deceased Khula Sizwe Shareholder’s estate shall be entitled to transfer the relevant Khula Sizwe Shares to such Khula Sizwe Shareholder’s heir, provided that such person is an Eligible Khula Sizwe Shareholder (as approved by the Khula Sizwe Board) or a Verified Khula Sizwe Shareholder.

10.6.1.2 Failure by the deceased Khula Sizwe Shareholder’s executor to comply with the above provisions shall result in a Call Event. Please see paragraph 10.8 of this Section 2 of this Prospectus for further details in relation to a Call Event.

10.6.2 Death of a member of a Black Group

10.6.2.1 In the event of the death of a shareholder, member, participant and/or beneficiary of a Black Group which is a Khula Sizwe Shareholder, as a result of which the Khula Sizwe Shareholder fails to maintain its B-BBEE status or no longer qualifies as a Black Group, the Khula Sizwe Shareholder shall have a period of 120 days to remedy the breach caused by such death or to transfer the Khula Sizwe Shares held by it to an Eligible Shareholder (as approved by the Khula Sizwe Board) or to a Verified Khula Sizwe Shareholder, as the case may be.

10.6.2.2 If the breach caused by the death has not been remedied within 120 days from the date of the death in question, a Call Event shall arise. Please see paragraph 10.8 of this Section 2 of this Prospectus for further details in relation to a Call Event.

10.7 Involuntary sequestration/liquidation

10.7.1 Involuntary sequestration of a Black Person

10.7.1.1 In the event of a Khula Sizwe Shareholder who is a Black Person being involuntarily sequestrated (whether provisionally or finally) during the Empowerment Period, the Khula Sizwe Shares held by such sequestrated Khula Sizwe Shareholder shall be permitted and required to be transferred by the Khula Sizwe Shareholder and/or the trustee of such Khula Sizwe Shareholder’s estate to an Eligible Khula Sizwe Shareholder (as approved by the Khula Sizwe Board) or a Verified Khula Sizwe Shareholder within a period of 120 days from the date of provisional or final sequestration (whichever is the earlier), unless the sequestration order is set aside within 120 days.

10.7.1.2 Failure by the Khula Sizwe Shareholder and/or the Khula Sizwe Shareholder’s trustee to comply with the above provisions shall result in a Call Event. Please see paragraph 10.8 of this Section 2 of this Prospectus for further details in relation to a Call Event.

10.7.2 Involuntary liquidation of a Black Group

10.7.2.1 In the event that a Khula Sizwe Shareholder which held Khula Sizwe Shares as a Black Group is involuntarily liquidated (whether provisionally or finally), and as a result of which it fails to maintain its B-BBEE Status or no longer qualifies as a Black Group, as the case may be, the Khula Sizwe Shareholder (and/or its liquidator) shall have a period of 120 days to remedy the breach caused by such events or to transfer the Khula Sizwe Shares held by it to an Eligible Khula Sizwe Shareholder (as approved by the Khula Sizwe Board) or a Verified Khula Sizwe Shareholder unless the liquidation order is set aside within such 120 day period.

10.7.2.2 Failure by the Khula Sizwe Shareholder and/or its liquidator to comply with the above provisions shall result in a Call Event. Please see paragraph 10.8 of this Section 2 of this Prospectus for further details in relation to a Call Event.
10.8 Call option in favour of Khula Sizwe

10.8.1 A “Call Event” shall arise in respect of a Khula Sizwe Shareholder, if, at any time prior to the end of the Empowerment Period, the circumstances referred to in paragraphs 10.5, 10.6, 10.7 and 10.8 arise and in circumstances where the Khula Sizwe Shareholder:

10.8.1.1 has misrepresented or misstated its/his/her BEE Status; or

10.8.1.2 has made a fraudulent, untrue or inaccurate statement in the Application Form submitted to Khula Sizwe or in any supporting documents, or if any information contained in the Application Form submitted to Khula Sizwe cannot be verified to Khula Sizwe's satisfaction; or

10.8.1.3 has made or given a fraudulent, untrue or inaccurate confirmation or representation in connection with the election to acquire Khula Sizwe Shares or its relevant information (including as to B-BBEE status) cannot be verified to the Company's satisfaction; or

10.8.1.4 has made a fraudulent, untrue or inaccurate statement in respect of any transfer or proposed transfer of Khula Sizwe Shares (or Beneficial Interest therein), or in any documents supporting such transfer or proposed transfer, or in any information provided to the Board, the B-BBEE Verification Agent and/or any other service provider in respect of any transfer of Khula Sizwe Shares (or Beneficial Interest therein) to such Khula Sizwe Shareholder, or any such information cannot thereafter be verified to Khula Sizwe's satisfaction; or

10.8.1.5 has made a fraudulent, untrue or inaccurate statement in respect of any other documentation or information submitted to Barloworld, Khula Sizwe, the Khula Sizwe Board, the B-BBEE Verification Agent and/or any other service provider or any such information cannot be verified to Khula Sizwe's satisfaction; or

10.8.1.6 commits an act, or there arises an event or circumstance (howsoever arising) constituting or resulting in a breach by or in respect of such Khula Sizwe Shareholder (and/or the Khula Sizwe Shares and/or Beneficial Interests held by it) of any applicable clause/s of the Khula Sizwe MOI, and fails to remedy any such breach within the time period (if any) provided in the relevant clause or, if no such express remedy period is provided, within 20 Business Days of receiving written notice from Khula Sizwe to do so (or such additional period as Khula Sizwe may agree in writing).

10.8.2 For so long as the Call Event persists, Khula Sizwe or its nominee shall be entitled, but not obliged, by giving written notice to the relevant Khula Sizwe Shareholder (or its Nominee Holder, if applicable) to that effect to require such Khula Sizwe Shareholder and/or Nominee Holder to sell to Khula Sizwe or its nominee all its Khula Sizwe Shares (and/or beneficial interests therein), or such number thereof as Khula Sizwe or its nominee may elect (“Call Shares”) and the Khula Sizwe Shareholder and/or Nominee Holder shall be obliged to sell the Call Shares to Khula Sizwe (or its nominee).

10.8.3 The Call Shares shall be acquired by Khula Sizwe or its nominee at a price equal to the Call Reference Price, discounted by 50%.

10.8.4 The “Call Reference Price” shall be:

10.8.4.1 if the Khula Sizwe Shares are listed on an exchange, the 30-Day VWAP of such shares on the exchange as at the relevant date on which the Call Reference Price is set; or

10.8.4.2 if the Shares are not listed on an exchange, the net asset value per Share determined with reference to the most recent audited financial statements of Khula Sizwe.

10.9 Maximum permitted shareholding in Khula Sizwe

10.9.1 Save as may be permitted by Khula Sizwe, no Khula Sizwe Shareholder (other than the Management Trust and/or the Employee Trust) may at any time hold any Khula Sizwe Shares (or beneficial interest therein) which, when such shares are aggregated with the holdings of and/or beneficial interests in Khula Sizwe Shares held by (i) all persons related or inter-related to such Khula Sizwe Shareholder (as contemplated in section 2, read with section 3 of the Companies Act), and/or (ii) any Khula Sizwe Shares held by the Employee Trust and the Management Trust, respectively, in respect of which the relevant Khula Sizwe Shareholder has been allocated units (as defined in the Employee Trust Deed or Management Trust Deed, respectively) exceed 30% of the issued Khula Sizwe Shares or such other percentage as Khula Sizwe may determine from time to time (“Maximum Shareholding Limit”).
10.9.2 If the Maximum Shareholding Limit is breached:

10.9.2.1 Khula Sizwe may, in its sole discretion, identify those Khula Sizwe Shares (and/or relevant Beneficial Interests therein) that are held in excess of the Maximum Shareholding Limit and the relevant Khula Sizwe Shareholder and/or Nominee Holder who holds such Shares or Beneficial Interests ("Unauthorised Excess Shares" and "Relevant Shareholder"), and notify the Relevant Shareholder in writing accordingly ("Excess Shares Notice");

10.9.2.2 while the relevant breach of the Maximum Shareholding Limit persists, Khula Sizwe may withdraw the Excess Shares Notice and if so withdrawn, re-issue it from time to time in its sole discretion;

10.9.2.3 once a notice has been issued to Khula Sizwe and until it is withdrawn or the breach is remedied, the relevant Khula Sizwe Shareholder shall, unless Khula Sizwe directs otherwise, be deemed:

10.9.2.3.1 to have ceded to the Company or its nominee/s all rights to any dividend, distribution or payment or other economic benefit by virtue of holding the Unauthorised Excess Shares;

10.9.2.3.2 to have ceded to the Company or its nominee/s any voting rights attaching to the Unauthorised Excess Shares and to have irrevocably appointed the Company or its nominee as proxy for the exercise of such voting rights; and

10.9.2.3.3 the Company may require the sale or other outright disposal of all or any of the Unauthorised Excess Shares by the issue of a written transfer notice to the relevant Khula Sizwe Shareholder. If the requirements of the transfer notice are not complied with within 20 Business Days by the relevant Khula Sizwe Shareholder (a) the Company may sell the specified Unauthorised Excess Shares (or any lesser number thereof) in such manner and on such terms as it in its absolute discretion determines or (b) a Call Event shall occur in respect of the Unauthorised Excess Shares. Please see paragraph 10.8 of this Section 2 of this Prospectus for further details in relation to a Call Event.
1. **STATEMENT AS TO ADEQUACY OF CAPITAL [Reg 74]**

The Khula Sizwe Directors are of the opinion that the issued share capital and working capital of Khula Sizwe will be adequate for the purpose of the business of Khula Sizwe, for at least twelve (12) months after the date of this Prospectus.

2. **REPORT BY KHULA SIZWE DIRECTORS AS TO MATERIAL CHANGES [Reg 75]**

The Khula Sizwe Directors report that, other than in the ordinary course of business and in terms of this Prospectus, there has been no material change in the assets or liabilities of Khula Sizwe since the date of incorporation on 16 October 2018 until the issue date of this Prospectus.

3. **STATEMENT AS TO LISTING ON STOCK EXCHANGE [Reg 76]**

No application has been made for the listing of the Khula Sizwe Shares offered in terms of the Public Offer.

4. **REPORT BY AUDITOR WHERE BUSINESS UNDERTAKING TO BE ACQUIRED [Reg 77]**

The acquisition by Khula Sizwe of the Properties in terms of the B-BBEE Transaction constitutes the acquisition of a business undertaking.

Khula Sizwe will acquire the Properties as a rental enterprise, which are all currently used by Barloworld Group Companies for their operational requirements. The Properties do not have (i) profits and losses in respect of each of the three (3) financial years preceding the date of this Prospectus and (ii) assets and liabilities of the rental enterprise conducted on each Property as at the last date to which the financial statements of the rental enterprise were made out. However, Khula Sizwe has prepared the additional financial information as set out in paragraph 11.3.4 of section 1 of this Prospectus and Annexure 4 to this Prospectus.

The Khula Sizwe Directors have appointed SNG Grant Thornton as the auditors to Khula Sizwe to opine on this additional financial information. The Independent Registered Auditors’ report is contained in Annexure 5 to this Prospectus.

5. **REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY [Reg 78]**

The acquisition by Khula Sizwe of the Properties in terms of the B-BBEE Transaction will not result in the acquisition of shares or securities in any company and, as such, no company will become a subsidiary of Khula Sizwe by reason of the implementation of the B-BBEE Transaction.

6. **REPORT BY AUDITOR OF KHULA SIZWE [Reg 79]**

Khula Sizwe was incorporated on 16 October 2018 and has not yet, as at the date of filing of this Prospectus with CIPC, completed its first financial year since incorporation.

Consequently, Khula Sizwe has not yet produced annual financial statements and, as a result, historical financial information for the Company is not available.

The Khula Sizwe Directors have appointed SNG Grant Thornton as the auditors to Khula Sizwe who confirm this statement in the Independent Registered Auditor’s report contained in Annexure 3 to this Prospectus.

7. **OTHER FINANCIAL REPORTING [Reg 77]**

Khula Sizwe has prepared the following additional financial information:

- pro forma take-on statement of financial position as at 1 October 2019;
- as at 30 September 2020 and 30 September 2021 pro forma forecast statement of financial position; and
- for the year ending 30 September 2020 and 30 September 2021 pro forma statement of comprehensive income and statement of cash flows.

The Independent Registered Auditors’ report on the financial information outlined above is available and is attached as Annexure 3 to this Prospectus.
1. The B-BBEE Transaction

In the furtherance of its BEE objectives Barloworld has concluded the B-BBEE Transaction.

The salient features of the B-BBEE Transaction are set out further below, being:

- the Specific Issue of Shares to the Foundation;
- the sale of the Properties by Barloworld to Khula Sizwe for the Acquisition Consideration (including the assignment by operation of law of the Property Lease Agreements);
- participation in the B-BBEE Transaction by Employees and Management of the Barloworld Group;
- Financial Assistance to the Foundation, Barloworld Employees and the Management to enable them to participate in the B-BBEE Transaction;
- the External Loan to Khula Sizwe of up to 80% of the Acquisition Consideration; and
- the Public Offer by Khula Sizwe to the Black Public.

The B-BBEE Transaction is depicted diagrammatically below assuming the Public Offer is implemented in full:

2. Barloworld Internal Restructure

Prior to the sale of the Properties to Khula Sizwe, Barloworld will undertake the Barloworld Internal Restructure.

The Properties are currently owned by the Initial Sellers and Barloworld. Pursuant to the B-BBEE Transaction and prior to the Implementation Date, the Initial Sellers will sell and transfer certain of the Properties (subject to any leases related thereto) to Barloworld in terms of the Barloworld Internal Restructure. The Barloworld Internal Restructure does not require Barloworld Shareholder approval. The terms of the Barloworld Internal Restructure were set out in the Circular.

Pursuant to the Barloworld Internal Restructure, Barloworld (as lessor) will conclude the Property Lease Agreements with each of the Lessees. Barloworld’s rights and obligations as lessor under the Property Lease Agreements assign to Khula Sizwe by operation of law, pursuant to the transfer of ownership of the Properties, in terms of the Property Sale Agreement.

3. The Specific Issue of Shares to the Foundation

3.1. Background to the Foundation

3.1.1. The creation of the Foundation is in line with Barloworld’s growth strategy, as well as the alignment with the South African national development imperatives of advancing economic transformation through the participation of Black People in the mainstream economy. The Foundation’s focus will be on poverty alleviation, education, youth development and advocacy, targeted at the marginalised and underserviced citizens who are currently largely excluded from the economy.

3.1.2. Through the Foundation, Barloworld aims to contribute to nation building and social cohesion; critical to the sustainable existence and growth of organisations. The salient features of the Foundation Trust Deed are more fully set out in the Barloworld Circular.
3.2. In terms of the Foundation Subscription Agreement, the Foundation will be issued with 6,578,121 Barloworld Shares at the subscription price of R0.05 per Barloworld Share, being the par value of the Barloworld Shares, which is a discount of 99.96% to the 30-day VWAP per Share as at 15 November 2018, being the day prior to the date of signature of the Foundation Subscription Agreement. The Specific Issue of Shares to the Foundation will equate to 3% of the entire issued share capital of Barloworld after the issue of those Shares to the Foundation.

3.3. Barloworld will, subject to obtaining the requisite shareholder approval, make a non-refundable contribution in the amount of R328,906 to the Foundation to fund the acquisition of the Foundation Shares at their par value of R0.05 each.

3.4. Following the Specific Issue of Shares to the Foundation, the Foundation is expected to hold these Shares in perpetuity, as the Foundation will be contractually precluded from selling and/or encumbering the Barloworld Shares it holds without the prior written consent of Barloworld. In addition to complying with the other obligations set out in the Transaction Agreements, the Foundation will be required, at all times, to comply with the B-BBEE Legislation, in particular with the Broad-Based Ownership Scheme requirements in terms of Annex 100 (B) and the Rules for Trusts in terms of Annex 100 (D) of the BEE Codes.

3.5. In the event that the Foundation breaches any of its material obligations under the Transaction Agreements to which it is a party, Barloworld will have a right (and not an obligation) to repurchase all or a portion of the Foundation Shares at the par value of R0.05 per Share.

4. The Sale of the Properties

4.1. Barloworld has entered into the Property Sale Agreement to sell a portion of the Group’s South African property portfolio (subject to the Lease, which will assign to Propco by operation of law pursuant to the Sale) to Khula Sizwe, which is a Black Company, for the Acquisition Consideration. Khula Sizwe is a company established for the purpose of initially acquiring the Properties and leasing these to the Lessees and other parties in the normal and ordinary course of its business as a property holding and management company. Khula Sizwe will not be prohibited from acquiring other properties from third parties. The Sale, as a going concern, includes the transfer of certain employees, particularly at a managerial level, which will enable the transfer of specialised property skills, expertise and capacity to Khula Sizwe to ensure that over time it can add to its portfolio of properties.

4.2. The Properties will be sold by Barloworld as a Qualifying Transaction, as contemplated under Statement 102 of the BEE Codes. Khula Sizwe will be entitled, in its sole discretion, to dispose of any of the Properties, after the expiry of three (3) years from the Implementation Date, subject to Barloworld having a right of first refusal to purchase the Properties, provided that they obtain any regulatory and/or Shareholder approvals required at the time. The right of first refusal is granted to Barloworld to ensure its business sustainability insofar as it relates to the operation of its business from the Properties.

4.3. The Acquisition Consideration is R2.716 billion, which will be paid in cash by Khula Sizwe on the Implementation Date and/or against transfer of the Properties.

4.4. Khula Sizwe will fund the Acquisition Consideration using a combination of the External Loan and equity pursuant to the subscriptions for Khula Sizwe Shares by the Management Trust, the Employee Trust and the Black Public (through the Public Offer). Refer to paragraph 11.2.7 in Section 1 of this Prospectus for sources of funding.

4.5. Warranties and indemnities

4.5.1. The Property Sale Agreement and Property Lease Agreements contain warranties normal for a transaction of this nature including, without limitation, a warranty by Barloworld to Khula Sizwe that the Properties are not subject to any undisclosed lien, pledge, bond, option or any other encumbrance in favour of a third party. Certain of the Properties are currently subject to financing arrangements and encumbrances and Barloworld will procure that such encumbrances are released as part of the Barloworld Internal Restructure.

4.5.2. The Property Sale Agreement also includes an indemnity by Barloworld in favour of Khula Sizwe for any losses, costs and liabilities that Khula Sizwe may suffer or incur as a result of or in connection with the remediation of environmental contamination or pollution.

4.5.3. The liability of Barloworld under the warranties and indemnities contained in the Property Sale Agreement is limited to an amount not exceeding the quantum of the Acquisition Consideration. The liability of Barloworld to Khula Sizwe under the Property Lease Agreements is limited to the amount recoverable under the Barloworld Lease Guarantee, being the payment obligations of the Lessees.
5. Conditions Precedent

5.1. The implementation of the B-BBEE Transaction is subject to the fulfilment (or deemed fulfilment) or waiver in accordance with the Framework Agreement of, inter alia, the following remaining Conditions Precedent by no later than certain dates set in the Framework Agreement, the last of which is 1 October 2020:

5.1.1. the entry into funding arrangements in respect of the External Loan by Khula Sizwe, on terms which are acceptable to Barloworld, in order to enable Khula Sizwe to fund the Acquisition Consideration;

5.1.2. inasmuch as may be required, the Competition Authorities unconditionally approving the implementation of the transactions comprising the B-BBEE Transaction or approving the B-BBEE Transaction subject only to such conditions which are acceptable to Barloworld and Khula Sizwe;

5.1.3. delivery by Barloworld of written notice to Khula Sizwe advising that all conditions, other than this condition, have been fulfilled, Barloworld has not identified any Material Adverse Change (within the meaning ascribed thereto under the Framework Agreement) at the date of such notice and confirming 1 October 2019 as the Implementation Date or prescribing a different date to be the Implementation Date, as contemplated in the Framework Agreement;

5.1.4. resolutions of the Khula Sizwe Shareholders authorising the allotment and issue of Shares to the Employee Trust, the Management Trust and in terms of the Public Offer in accordance with section 41 of the Companies Act; and

5.1.5. resolutions of the Khula Sizwe Board authorising the allotment and issue of the shares in Khula Sizwe to the Management Trust and the Employee Trust in accordance with section 38 and section 40 of the Companies Act.

5.2. In addition to the aforementioned conditions precedent, completion under each Property Sale Agreement is further subject to each of the following transfer conditions (i.e. completion conditions for the transfer) being fulfilled:

5.2.1. the payment to Barloworld by Khula Sizwe of all the amounts required to be paid by Khula Sizwe to Barloworld under the relevant Property Sale Agreement (including any conveyancing fees, transfer charges and other costs);

5.2.2. a mortgage bond being registered over the applicable Property by a financial institution which is registered as a bank under the Banks Act, 1990, in an amount equal to the purchase consideration payable therefor by Khula Sizwe to Barloworld;

5.2.3. the delivery by Khula Sizwe to the conveyancing attorneys of any and all documents which may be required by the conveyancing attorneys in terms of the Financial Centre Intelligence Act, 2001;

5.2.4. inasmuch as may be required, the grant of any approval by any local authority or municipality which may be required for the transfer of the Property; and

5.2.5. the release of any security registered over the Property.

5.3. If the B-BBEE Transaction is not implemented as a result of any of the Conditions Precedent not being fulfilled, or deemed fulfilled, or waived, any funds you have paid will be refunded, without interest, within thirty (30) days of notification of failure of implementation of the B-BBEE Transaction.

6. Restrictions and obligations of Khula Sizwe

Barloworld, Khula Sizwe and other parties have entered into the Framework Agreement to regulate the obligations of Khula Sizwe and its shareholders with regards to the establishment of Khula Sizwe and maintenance of Khula Sizwe’s BEE status for the duration of the Empowerment Period. These B-BBEE restrictions have also been incorporated in the Khula Sizwe MOI. On the expiry of the Empowerment Period, all B-BBEE restrictions on Khula Sizwe and its shareholders will fall away. The salient terms of the Framework Agreement are set out in Annexure 6 to this Prospectus.

7. Khula Sizwe obligation to acquire Barloworld Shares

In terms of the Khula Sizwe Subscription Agreement, for the duration of the Empowerment Period, Khula Sizwe will be obliged to utilise any excess cash after servicing its debt and tax obligations and making provision for its budgeted operational expenditure to subscribe for Barloworld Shares, subject to any shareholder and regulatory approvals required at the time. Khula Sizwe is restricted from selling any Barloworld Shares it acquires until the expiry of the Empowerment Period. At the end of the Empowerment Period, Khula Sizwe will be entitled to freely deal with the Barloworld Shares held by it at that time. The issue of such Barloworld Shares to Khula Sizwe from time to time will be subject to the regulatory and governance requirements applicable at the time, including potentially the approval of Shareholders in terms of section 41(1) of the Companies Act and paragraph 5.51 of the JSE Listings Requirements.
8. Disposal and encumbrance

The shareholders of Khula Sizwe being the Employee Trust, the Management Trust and the Black Public, may not Encumber or Dispose of their Khula Sizwe Shares during the Lock-in Period. Khula Sizwe may, after the expiry of the Lock-in Period (and until the expiry of the Empowerment Period), be listed on the B-BBEE Segment in terms of which the Khula Sizwe Shares will only be traded among Black People.

9. Tradability of Khula Sizwe Shares and continuing empowerment status

Khula Sizwe will be a Black Company. In terms of the Khula Sizwe MOI and other Transaction Agreements, Khula Sizwe shall during the Empowerment Period be and remain a Black Company. In the event that any shareholder of Khula Sizwe breaches its obligations to remain Black and to maintain its BEE Status (as contemplated in the Khula Sizwe MOI), Khula Sizwe or its nominees, will be entitled to acquire the Khula Sizwe Shares held by such Khula Sizwe shareholder, at a discount of 50% to the fair value of such shares, which shall be calculated with reference to the 30-day VWAP of those shares if Khula Sizwe is listed or Khula Sizwe's net asset value in the event that its shares are not listed.

During the Lock-In Period, the Khula Sizwe Shares shall not be tradable. In addition, during the Empowerment Period, no shareholder in Khula Sizwe (other than the Employee Trust and the Management Trust) shall be entitled to hold (whether directly or indirectly) in excess of 30% of the Khula Sizwe Shares.

10. Future B-BBEE Listing

It is anticipated that Khula Sizwe may be listed on the B-BBEE Segment after the expiry of the Lock-in Period.

11. Background about the Management Trust and Employee Trust

11.1 Management Trust

11.1.1 All Junior Managers and Senior Managers are eligible beneficiaries of the Management Trust. It is anticipated that the Management Trust will hold a minimum of 38% of the Khula Sizwe Shares or up to a maximum of 68% in the event that the Public Offer is not implemented in full. Beneficiaries of the Management Trust will receive units in the Management Trust. Units will be allocated on the basis of the EAP Targets. Approximately 80% of the units will be allocated with effect from the Implementation Date and the remaining units will be allocated to future Management hires. Should a Manager leave the employ of Barloworld due to dismissal for misconduct or resignation, prior to the expiry of the Lock-in Period, his/her units will be cancelled. Cancelled units will be re-allocated to the remaining Managers who are beneficiaries, at the time, proportionately. Should a Manager leave the employ of Barloworld due to death, disability, retirement, retrenchment, incapacity or transfer under section 197 of the Labour Relations Act prior to the expiry of the Lock-in Period, they (or their heirs, if applicable) will retain their units.

11.1.2 The underlying Khula Sizwe Shares held by the Management Trust will be distributed to the Managers after the Lock-in Period in tranches equivalent to a third of the net asset value of the Management Trust at the time of distribution in each of the years from year 6 to year 7 from the Implementation Date. In year 8, the remainder of the net asset value of the Management Trust will be distributed. This will enable Management to trade the Khula Sizwe Shares once they are listed on the B-BBEE Segment.

11.1.3 The beneficiaries of the Management Trust include all categories of Barloworld management, from Junior Managers to Senior Managers and the allocation of the units will be based on the EAP Targets.

11.2 Employee Trust

11.2.1 All Employees are eligible to participate in the Employee Trust. It is anticipated that the Employee Trust will hold 32% of the entire issued share capital of Khula Sizwe (following the issue of the Khula Sizwe Shares to the Management Trust and/or pursuant to the Public Offer). Beneficiaries of the Employee Trust will receive units in the Employee Trust. Units will be allocated on the basis of the EAP Targets. All the unit allocations will take place as at the Implementation Date. The units of the Employees who leave the employ of Barloworld due to dismissal, misconduct or resignation, prior to the second anniversary of the Implementation Date will be cancelled. Cancelled units will be re-allocated to the remaining Employees proportionately. Should an Employee leave the employ of Barloworld due to death, disability, retirement, retrenchment, incapacity or transfer under section 197 of the Labour Relations Act, prior to the expiry of two years from the Implementation Date, then they (or their heirs, if applicable) will retain their units.

11.2.2 The Khula Sizwe Shares held by the Employee Trust will be distributed by the Employee Trust to its beneficiaries after the expiry of the Lock-in Period in tranches of a third in each of the years from year 6 to year 8 from the Implementation Date. This will enable the Employees to trade the Khula Sizwe Shares once they are listed on the B-BBEE Segment.

11.2.3 The beneficiaries of the Employee Trust comprise Employees, and the allocation of the units in the Employee Trust will be based on EAP Targets.
12. ABOUT BARLOWORLD

CAUTION: The information reflected in this paragraph 12 of Section 4 of this Prospectus has been reproduced from the integrated report for Barloworld for the financial year ended 30 September 2018 and has not been independently reviewed, audited, verified or updated by Barloworld, Khula Sizwe and/or any of their directors, employees, professional advisers, external auditors, or the like, and no such persons take any responsibility for the accuracy or completeness of its contents, or the matters reflected therein.
An active centre that adds value by driving performance, setting group level priorities, focusing talent on critical issues and driving mergers and acquisitions.

**Barloworld Equipment** is the official dealer for the Caterpillar construction, mining and industrial machine range in 11 southern African countries, Siberia and the Russian Far East.

Barloworld Automotive delivers a range of integrated vehicle usage solutions that create shared value for our customers, company and stakeholders.

Barloworld Logistics has grown into a significant transportation and supply chain solution business in southern Africa.
Car Rental
Short-term vehicle rental solutions.

Avis Fleet
Vehicle leasing and fleet management products and solutions.

Motor Trading
Franchise motor vehicle retailing and asset disposal through online platforms and toolsets.

Supply Chain Management
Dedicated and contracted solutions offering a full range of logistic services to leading clients.

Transport
A range of transport solutions across sub-Saharan Africa including fuel, chemicals, gas, abnormal loads, consumer products, refrigerated and general freight services.

Barloworld is a distributor of leading global brands, providing integrated rental, fleet management, product support and logistics solutions. We offer flexible, value-adding, integrated business solutions to our customers backed by leading global brands.
Business model

Our business model delivers a comprehensive approach to value creation in the short, medium, and long term.

1. Key resources and relationships

What we need
The resources and relationships we rely on to sustain our operations

- **Financial capital**
  An appropriate mix of debt and equity funding, to meet our working capital needs and growth ambitions

- **Human capital**
  A skilled, diverse and motivated workforce, with a high-performance culture

- **Manufactured capital**
  Wide geographic footprint of operations and locations to serve our customers

- **Social and relationship capital**
  Strong relationships with our principals, suppliers, customers, employees, investors and communities

- **Natural capital**
  The natural resources we, directly and indirectly via our customers, depend on such as water, fossil fuels and other natural assets

- **Intellectual capital**
  Our unique way of doing business, that includes our Values, our Worldwide Code of Conduct, our governance frameworks and processes

2. Strategic trends impacting our business model

We monitor:

- Political uncertainty and regulatory developments
- Economic growth and social challenges in operating markets
- Technological breakthrough in transport
- Growing consumer preferences for environmentally friendly products

3. Our value chain

At Barloworld, managing for value is about actively driving business performance.

Given the challenging macroeconomic context and the resource constrained environment we operate in, we are custodians of the capitals we need in our business.

We adopt an active operating model, driving value creation across our current operations, assessing their performance against our internal hurdle rates and deploying all our capitals optimally.

Our actions are underpinned by our values: Integrity, Excellence, Teamwork, Commitment and Sustainability.

4. Top material risks

What we monitor

The resources and relationships we rely on to sustain our operations

- Acquisition underperformance
- Climate and environmental
- Competitor actions
- Currency volatility
- Customers and markets
- Defined benefit scheme exposure
- Information security risks and digital disruption
- Operational health and safety risk
- Political, terrorism, sanctions
- Principals and suppliers
- Regulatory environment
- Talent
- Volatile commodity prices
Our vision: To delight our customers and maximise shareholder value.

### Our outputs
**What we deliver**
Flexible, value-adding, innovative customer solutions and services

### Impact on capitals
**What we impacted**
The capitals we use

<table>
<thead>
<tr>
<th>Capital Type</th>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Centre</strong></td>
<td>Group level strategy and mergers and acquisitions activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance monitoring and capital allocation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Talent management</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>Earthmoving: mining and infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Power systems: electric power, marine, petroleum and industrial</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Automotive</strong></td>
<td>Short-term vehicle usage</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vehicle ownership solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Long-term vehicle leasing and fleet management solutions and products</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Asset disposal through online platforms</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td>Supply chain solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transport, warehousing, freight forwarding</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial capital</strong></td>
<td>Revenue</td>
<td>R63.4 billion</td>
<td>R62.0 billion</td>
</tr>
<tr>
<td></td>
<td>Operating profit</td>
<td>R4.4 billion</td>
<td>R4.1 billion</td>
</tr>
<tr>
<td></td>
<td>HEPS</td>
<td>1 151 cents</td>
<td>975 cents</td>
</tr>
<tr>
<td></td>
<td>Return on invested capital</td>
<td>12.3%</td>
<td>11.2%</td>
</tr>
<tr>
<td></td>
<td>Free cash flow</td>
<td>R3.6 billion</td>
<td>R3.4 billion</td>
</tr>
<tr>
<td><strong>Human capital</strong></td>
<td>Number of employees</td>
<td>17 417</td>
<td>18 085</td>
</tr>
<tr>
<td></td>
<td>Lost-time injury frequency rate (LTIFR)#</td>
<td>0.69</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td>Number of work-related fatalities</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Manufactured capital</strong></td>
<td>Return on net operating assets (%)</td>
<td>20.9%</td>
<td>16.4%</td>
</tr>
<tr>
<td></td>
<td>Group net debt to equity (%)</td>
<td>14.4%</td>
<td>27.6%</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>R49.3 billion</td>
<td>R46.3 billion</td>
</tr>
<tr>
<td><strong>Social and relationship capital</strong></td>
<td>B-BBEE rating</td>
<td>Level 3</td>
<td>Level 3</td>
</tr>
<tr>
<td></td>
<td>Corporate social investment (Rm)</td>
<td>R16 million</td>
<td>R18 million</td>
</tr>
<tr>
<td><strong>Natural capital</strong></td>
<td>GHG emissions (scope 1 and 2)</td>
<td>257 650 tCO₂e</td>
<td>270 707 tCO₂e</td>
</tr>
<tr>
<td></td>
<td>Water withdrawals (ML)^</td>
<td>588 ML</td>
<td>674 ML</td>
</tr>
<tr>
<td></td>
<td>Non-renewable energy consumption†</td>
<td>2 947 696 GJ</td>
<td>3 087 269 GJ</td>
</tr>
</tbody>
</table>

# LTIFR = Lost-time injuries multiplied by 200 000 divided by total hours worked.

^ Municipal sources.

† Excludes energy from rental fleets.
## Performance per region

### Russia

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R7.8 billion</td>
<td>R804 million</td>
</tr>
<tr>
<td>2017:</td>
<td>R5.1 billion</td>
<td>R582 million</td>
</tr>
<tr>
<td>Net operating assets</td>
<td>R3.0 billion</td>
<td>R2.5 billion</td>
</tr>
<tr>
<td>Number of employees</td>
<td>1 026</td>
<td>942</td>
</tr>
</tbody>
</table>

### Rest of Africa, Europe and Middle East

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R8.7 billion</td>
<td>R448 million</td>
</tr>
<tr>
<td>2017:</td>
<td>R6.8 billion</td>
<td>R636 million</td>
</tr>
<tr>
<td>Net operating assets</td>
<td>R4.0 billion</td>
<td>R5.0 billion</td>
</tr>
<tr>
<td>Number of employees</td>
<td>2 161</td>
<td>2 162</td>
</tr>
</tbody>
</table>

### South Africa

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R46.9 billion</td>
<td>R3.2 billion</td>
</tr>
<tr>
<td>2017:</td>
<td>R49.9 billion</td>
<td>R2.9 billion</td>
</tr>
<tr>
<td>Net operating assets</td>
<td>R17.1 billion</td>
<td>R16.7 billion</td>
</tr>
<tr>
<td>Number of employees</td>
<td>14 230</td>
<td>14 981</td>
</tr>
</tbody>
</table>

### Countries of operation

- Angola
- Botswana
- Democratic Republic of Congo (Katanga province)
- Ghana
- Lesotho
- Malawi
- Mozambique
- Namibia
- Russia
- South Africa
- Swaziland
- Tanzania
- United Kingdom
- United Arab Emirates
- Zambia
- Zimbabwe

### Segmental performance (R’billion)

- **Equipment**
  - Revenue: R63.4
  - Operating profit: R4.4
  - Net operating assets: R26.1
  - Contribution: 47%, 58%, 56%

- **Automotive**
  - Revenue: R3.4
  - Operating profit: 9
  - Net operating assets: 39
  - Contribution: 39%, 34%, 56%

- **Logistics**
  - Revenue: R3.2
  - Operating profit: 6
  - Net operating assets: 4
  - Contribution: 47%, 58%, 56%

- **Corporate**
  - Revenue: R3.1
  - Operating profit: 6
  - Net operating assets: 4
  - Contribution: 58%, 56%, 47%
SECTION 5: INAPPLICABLE OR IMMATERIAL MATTERS [Reg 56]

The following paragraphs of the Companies Act and the Companies Regulations are not applicable in the circumstances of the Public Offer:

<table>
<thead>
<tr>
<th>Regulation number</th>
<th>Regulation heading</th>
</tr>
</thead>
<tbody>
<tr>
<td>54(2)</td>
<td>General statement of required information</td>
</tr>
<tr>
<td>55</td>
<td>Specific matters to be addressed for a limited offer</td>
</tr>
<tr>
<td>57(2)</td>
<td>Name, address and incorporation</td>
</tr>
<tr>
<td>57(3)(a) and (b)</td>
<td>Name, address and incorporation</td>
</tr>
<tr>
<td>59(2)(a)</td>
<td>History, state of affairs and prospects of the company</td>
</tr>
<tr>
<td>59(4)</td>
<td>History, state of affairs and prospects of the company</td>
</tr>
<tr>
<td>64(2)(c)</td>
<td>Interest of directors and promoters</td>
</tr>
<tr>
<td>69</td>
<td>Preliminary expenses and issue expenses</td>
</tr>
<tr>
<td>70(b)</td>
<td>Purpose of the offer</td>
</tr>
<tr>
<td>74(2)(b)</td>
<td>Statement as to adequacy of capital</td>
</tr>
<tr>
<td>78</td>
<td>Report by auditor where company will acquire a subsidiary</td>
</tr>
<tr>
<td>80</td>
<td>Requirements for prospects of mining company</td>
</tr>
</tbody>
</table>

By order of the Khula Sizwe Board

Tantaswa Fubu

1 April 2019

Registered Office
61 Katherine Street
Sandown
Sandton
2196
(PO Box 782248, Sandton, 2146)
INDEPENDENT PROPERTY VALUERS’ REPORT FOR A RELATED PARTY DISPOSAL OF CERTAIN ASSETS IN THE PROPERTY PORTFOLIO OF BARLOWORLD LIMITED AND ITS SUBSIDIARIES (“BARLOWORLD”) IN RELATION TO A BROAD-BASED BLACK ECONOMIC EMPOWERMENT TRANSACTION (“THE TRANSACTION”)

Reference is made to Barloworld letter of award, dated 25 June 2018, the confirmation, dated 2 July 2018, received from the JSE Limited (“JSE”) in terms of section 13.41 of the JSE Listings Requirements regarding our acceptability and to the terms of our engagement letter, dated 6 July 2018.

We now confirm that upon your instruction we have visited and inspected the properties listed in the attached schedule (“the scheduled properties”) during July and August 2018. We have received all necessary details required to perform the valuations in order to provide you with an opinion of the market values of the scheduled properties as at 31 August 2018 (“the effective date”).

(A) INTRODUCTION

Broll Valuation & Advisory Services (Proprietary) Limited (“BVA”) is instructed by Barloworld to provide an opinion as to the market value of each of the scheduled properties as at the effective date, for the purposes of a sale thereof in terms of the transaction to a company to be formed (“Propco”).

The creation of Propco involves a series of complex financial and legal transactions to facilitate the transfers of the scheduled properties to a new entity and it is anticipated that the process will be completed on 1 October 2019 (“the transfer implementation date”).

Notwithstanding that the valuation reports are prepared at the effective date, the reported values of the scheduled properties will be adopted by Barloworld at the transfer implementation date.

The reported values of the scheduled properties as at the effective date have been included in the circular to be issued on 18 December 2018 (“the circular”) to coincide with the date of formal submission of the circular to the JSE. The properties will form part of Propco, which will comprise a portfolio of properties, which could potentially be listed on a restricted segment of a recognised exchange within 5 years from the date of implementation of the transaction expected to be 1 October 2019.

Barloworld has appointed BVA as an independent property valuer to value the scheduled properties as at the effective date in accordance with the requirements set out in paragraph 13.23 of the JSE Listings Requirements.

All the scheduled properties are held in freehold tenure.

Although the scheduled properties may be the subject of in-house leases at stated monthly rents at the effective date, the approach of BVA is to benchmark and apply estimates of current net monthly market rentals for the scheduled properties at the effective date for valuation purposes. In any event, the terms of the existing intra-group leases have been provided in Annexure B.

The reported estimated net monthly market rentals for the scheduled properties at the effective date will be used by Barloworld as a base for the determination of the net monthly rental for the first years of leases for periods of 10 (ten) years commencing at the transfer implementation date to be entered into by and between Barloworld and the relevant operating divisions of Barloworld and subsequently assigned by operation of law to Propco.

The prospective leases have been prepared on a triple net basis with the tenants being responsible for the payment of all expenses of whatsoever nature in respect of the property, including but not limited to, a management fee and an asset management fee.

(B) VALUATION STANDARDS

In preparing the valuation report in respect of the scheduled properties, we record that:

- We have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.
- We record that the valuation conforms to the requirements of Section 13.23 of the JSE Listings Requirements and to those of the Royal Institution of Chartered Surveyors (“RICS”) Valuation – Professional Standards Manual (“the Red Book”), 2017 Edition incorporating the International Valuation Standards.
- A Professional Valuer registered with the South African Council for the Valuers Profession, who is also an RICS Registered Valuer, has undertaken the valuation. The valuation conforms to the requirements of IAS 16 under IFRS.
- The valuation has been undertaken by BVA acting as an external valuer and it is confirmed that no conflict of interest arises out of this appointment.
- The reported values thus indicate the fair market value for each of the scheduled properties which are detailed in each of the valuation reports and which have been summarised on a schedule, attached hereto.
(C) **BASIS OF VALUATION**

The valuations are based on market value. Market value means the best price, at which the sale of an interest in a property may reasonably be expected to have been completed, unconditionally for a cash consideration on the date of valuation, assuming:

(i) a willing seller and a willing buyer in a market;
(ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the property, for the agreement of price and terms, and for the completion of the sale; and
(iii) that the state of the market, level of values and other circumstances remain on any earlier assumed date of exchange of contracts, the same as on the date of the valuation;

(collectively “the Market Value”).

(D) **VALUE CALCULATION**

The calculation of the Market Values of the scheduled properties at the effective date is based on the income approach method in which the estimated net annual rent for the forward period of 12 months from the effective date is capitalised at an appropriate rate of interest to reflect the perceived risk in the investment. Income capitalisation is the basis upon which commercial income producing properties are valued and traded in the South African market, with the market providing strong supporting evidence of open market rental rates and capitalisation rates evidenced by recent sales.

Section 13.23(c) of the JSE Listings Requirements states that the circular must contain a statement that there have been no material changes in circumstances that would affect the valuation since the effective date. The expected date of the issue of the circular is less than 6 (six) months after the effective date. BVA has received an undertaking from Barloworld that no material changes in the nature of the scheduled properties has arisen in the period between the effective date and the date of the circular, which could materially affect the reported value of the properties.

BVA, having taken due and careful investigation, to the best of its knowledge and belief, is of the opinion that the estimated reported values of the scheduled properties at the effective date have not changed materially as at the date of the formal submission of the circular.

BVA will monitor the values in the context of current market conditions until the general meeting to be held on 14 February 2019 and advise of any material changes.

(E) **VACANT LAND**

There are 5 (five) properties with large tracts of vacant zoned spare land. These have been valued on a comparative basis compared to similar properties of a like nature in the area in which these properties are located. Value has been attributed to this capability; however, some very minor adjustments have been made to the open market value to provide for this value.

To the best of our knowledge and belief, having made due and careful investigation, there are no defined schemes of development for this land and the reported values are for land which is suitably zoned but unserviced.

(F) **BRIEF PROPERTY DESCRIPTION**

Please refer to the attached summary of scheduled properties at Annexure A.

(G) **VALUATION QUALIFICATIONS**

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as at the effective date. Amongst other things, this assumes that each of the scheduled properties has been properly marketed and that exchange of contracts took place on the effective date.

(H) **AGGREGATION OF PROPERTY VALUES**

BVA is instructed to value each of the scheduled properties on the basis of market value at the effective date.

For the purpose of complying with the requirements of Section 13.23 of the JSE Listings Requirements we have provided an estimate of the market value which represents an estimate of the aggregate market values of each of the scheduled properties at the effective date.

With this requirement in mind, we record that, collectively, the scheduled properties, comprise a property portfolio which if the whole thereof were to be placed on the market at the same time, could effectively flood the market leading to a reduction in the aggregate of the reported values of the individual properties.

Accordingly, we have assumed for valuation purposes that the portfolio of scheduled properties will remain under the occupation and control of Barloworld after the effective date and it would thus be inappropriate to make any allowances in the reported values of the scheduled properties to reflect the possible effects of flooding the market.

It follows that the estimated aggregate market values of each of the scheduled properties at the effective date does not necessarily represent the quantum of value at the effective date were all contracts of sale concluded on that date.

(I) **TIMING OF THE TRANSACTION/CHANGES IN MARKET CONDITIONS**

The creation of Propco involves a series of complex financial and legal transactions to facilitate the transfers of the scheduled properties to Propco and it is anticipated that the process will be completed with a potential listing on a restricted exchange within 5 years from the date of implementation of the transaction (expected to be 1 October 2019).

Changes in market conditions in the interregnum between 31 August 2018 and 1 October 2019 due to socio-political and economic happenings of an unforeseen nature at the date of valuation could influence the integrity of the reported values as included in the circular.

The uncertainty to which we refer may bring about change in estimated net rentals and/or capitalisation rates which in turn could impact positively or negatively on the net rentals to be charged to tenants at 1 October 2019, thus impacting the reported values.

Barloworld is aware of these uncertainties and accepts that BVA can only be held responsible for the reported values of the scheduled properties at the effective date.
(J) ARRANGEMENTS
To the best of our knowledge, there are no options in favour of any third parties for any purchase of any of the scheduled properties, other than the proposed disposal to Propco.

(K) INTRA-GROUP OR RELATED PARTY LEASES
At the effective date all leases between Barloworld and group operating divisions are intra-group leases except for the following:

- In respect of each of Property Nos A62, A107 and A116 (refer Annexure A) we are informed that:

  The obligations of Barloworld South Africa (Proprietary) Limited in terms of the proposed lease from Propco, effective 1 October 2019, will be market-related and underwritten by Barloworld Limited and thus the terms of the current sub-lease are ignored for valuation purposes as any shortfall or surplus in monthly rental between that currently payable by the sub-lessee and the monthly market rent rate applied as at 1 October 2019 will either be underwritten by, or to the advantage of, Barloworld South Africa (Proprietary) Limited, as the case may be.

- Property A78 is also the subject of an external lease. However, this is a multi-let property and the external leases are held by third-party tenants and details of the leases are provided in the valuation report.

(L) DEVELOPMENT PROPERTIES

- Erf 495 Isando Ext 2 (A104) is currently under redevelopment to accommodate a new corporate office and semi-basement car parking at an estimated cost of R98 386 308. Notwithstanding the scheme of redevelopment, the property has been valued “as is” at the effective date in an amount of R56 499 000 taking into account an amount of around R699 000 already spent in pursuance of redevelopment. We had sight of a development agreement entered into between Eris Property Group (Proprietary) Limited and Barloworld Limited and the approved Site Development Plan, dated 15 September 2018 (“SDP”) which provides, inter alia, for practical completion of the building contract within 252 days of approval of the building plans or other such date as agreed upon between the parties. Adopting the detail from the SDP and the development agreement we have estimated a post-development value for the property at 31 August 2018 of R118 080 000 based on current market conditions as at the effective date. Notwithstanding the scheme of redevelopment, the property has been valued “as is” at the effective date in an amount of R56 500 000.

- The remainder of Erf 492 Isando Ext 2 (A03) is currently under redevelopment to accommodate a new CAT rental and used equipment showroom and façade refurbishment at an estimated cost of R38 424 666. The redevelopment is subject to the same contract between Eris Property Group Limited and Barloworld Limited as is applicable to the redevelopment of A104 with practical completion scheduled for within 213 days of approval of the building plans or other such date as agreed upon between the parties. Adopting the detail from the SDP and the development agreement we have estimated a post-development value for the property at 31 August 2018 of R270 928 000 based on current market conditions as at the effective date. Notwithstanding the scheme of redevelopment, the property has been valued “as is” at the effective date in an amount of R218 230 000.

- Erf 321 Eastgate Ext 11, (A21) is currently an office block with warehouses and covered parking used by Avis. There are, however, plans to demolish certain buildings on the site and to build a smaller structure at an estimated cost of R15 000 000 and completion is scheduled within 6 months of commencement of work. Notwithstanding the scheme of redevelopment, the property has been valued “as is” at the effective date in an amount of R23 510 000. Based on the sketch plans and cost plan for the scheme of redevelopment of the property as provided by Barloworld Limited we have estimated a post-development value for the property at 31 August 2018 of R26 940 000. It should be noted that the proposed redevelopment reduces the “as is” value of the property post-development based on current market conditions as at the effective date.

- Erf 3595 Pretoria, (A82) is currently occupied by Avis Budget Car Rental and Avis Car Sales. There are, however, plans to redevelop the property at an estimated cost of R11 000 000 and completion is scheduled within 6 months of commencement of work. Notwithstanding the scheme of redevelopment, the property has been valued “as is” at the effective date in an amount of R5 010 000. Based on the sketch plans and cost plan for the scheme of redevelopment of the property as provided by Barloworld Limited we have estimated a post-development value for the property at 31 August 2018 of R5 620 000.

We have assumed all the above developments will be completed by 1 October 2019 and therefore no loss of income will be incurred. In addition, we have assumed that all the above developments will be fully let from 1 October 2019.

(M) EXTERNAL PROPERTY
None of the scheduled properties are situated outside the Republic of South Africa. (Section 13.28).

(N) OTHER GENERAL MATTERS AND VALUATION SUMMARY
A full valuation report on each of the scheduled properties is available on a property by property basis detailing tenancy, town planning, valuer’s commentary and other details. This has been given to the directors of Barloworld and is available for inspection as detailed in the circular.

(O) ALTERNATIVE USE FOR A PROPERTY
The scheduled properties have been valued in accordance with their existing use, which represents their market value. No alternative uses for the properties have been considered in determining their value.

(P) OTHER COMMENTS
Our valuation excludes any amounts of value-added tax, transfer duty, or securities transfer duty.
(Q) CAVEATS

(i) Source of information and verification
Barloworld has provided information on the scheduled properties to us and BVA has inspected the properties and title deeds to verify the information provided to BVA by Barloworld.

(ii) Full disclosure
The valuations of each of the scheduled properties have been prepared on the basis that full disclosures of all information and factors that may affect the valuations have been made to us.

(iii) Leases
The valuations of each of the scheduled properties have been prepared on the basis that all the scheduled properties are fully let and will be the subject of future leases for periods of 10 (ten) years on a triple net basis with the tenants being responsible for the payment of all expenses of whatsoever nature in respect of the property, including but not limited to, a management fee and an asset management fee.

We have made no other adjustments to future rental streams.

(iv) Mortgage bonds, loans, etc.
The scheduled properties have been valued as if wholly-owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of the purchaser when purchasing the properties.

(v) Calculation of areas
All areas quoted within the detailed valuation reports in respect of each of the scheduled properties are those stated in the information furnished by Barloworld and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by Barloworld.

Updated plans were not available for all the properties in respect of internal configuration. The properties generally appear to have the stated square metreage which could only be more accurately determined if premeasured by a professional. The reported square metreage is therefore considered as correct as possible without full remeasurement exercise being undertaken.

(vi) Structural condition
The scheduled properties have been valued in their existing state. We have not carried out any structural surveys of the scheduled properties, nor have we inspected those areas that are unexposed or inaccessible, neither have we arranged for the testing of any electrical or other services.

The scheduled properties have been built and/or extended with good quality traditional materials but we do not have definitive information as to the ages thereof.

(vii) Contamination
Barloworld, through its subsidiary companies, operates a Hazardous Substances Policy for the express purpose of promoting health, safety and environmental practices relating to the control and monitoring of hazardous substances.

Barloworld is committed to ensuring that a system is in place for the control and monitoring of hazardous substances in order to meet legislative requirements and to minimise the health and safety risks and environmental impacts associated with the handling, transport, storage, disposal and/or exposure to hazardous substances in the work environment.

The system in place requires the keeping of an Environmental Incidents Register and, at the effective date, the Register contains entries in respect of the scheduled properties occupied by Avis Rent a Car operating division which details incidents relating to groundwater contamination. The subject matter of these entries is receiving attention and these potential hazards are referred to in the individual reports.

(viii) Town planning
Copies of the Site Development Plans approved by Metropolitan Municipality dated 25 September 2018 which confirm approval for the redevelopments of A03 and A104 subject to compliance with the provisions of the Town Planning Scheme.

Town Planning consents have not been obtained in respect of the proposed schemes of redevelopment of A21 and A82.

The valuation reports have assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on a visual inspection, it would appear that the improvements are in accordance with the relevant town planning regulations for these properties.

In our opinion and to the best of our knowledge and belief there is no contravention of any statutory regulation or town planning local authority regulation or contravention of title deed relating to any of the properties which infringement could decrease the value of the properties as stated.

Conditions of establishment are not applicable to any of the scheduled properties.

(ix) Assumptions
Other than the assumptions already stated above there are no further assumptions that could materially affect the reported market values of the scheduled properties.

No variation to the valuation for existing or future contractual arrangements in respect of the scheduled properties has been made.
Subject to the provisions of paragraph H Aggregation of Property Values, we are of the opinion that at the effective date, 31 August 2018, the aggregate market value of the 64 scheduled properties calculated in accordance with the terms of our mandate from Barloworld as set out more fully herein, is an amount in the order of R2 754 617 400 (two billion seven hundred and fifty-four million six hundred and seventeen thousand and four hundred rand), excluding VAT and/or transfer duties. A summary of the individual valuations and details of each of the properties is attached in the summary schedule.

The professional valuer hereof has more than 40 (Forty) years’ experience in the valuation of all nature of property and is qualified to express an opinion on the fair market value of the scheduled properties.

Yours faithfully

For
Broll Valuation & Advisory Services (Proprietary) Limited

ROGER HUNTING
MRICS Dip T.P. MIV(SA)
Professional Valuer
No. 115 – (Registered without restriction in terms of the Property Valuers Act. No 47 of 2000)
61 Katherine Street
Sandown
Johannesburg
2196*
<table>
<thead>
<tr>
<th>PROPERTY CODE</th>
<th>A01</th>
<th>A03</th>
<th>A05</th>
<th>A100</th>
<th>A07</th>
<th>A08</th>
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<tr>
<td><strong>Property name</strong></td>
<td>Barloworld Equipment (Pty) Ltd – 136 Main Reef Road, Boksburg</td>
<td>Barloworld Equipment (Pty) Ltd – Isando</td>
<td>Motor Head Office, Isando – 8 Anvil Road, Isando</td>
<td>Motor Head Office Parking, Isando – 4 Anvil Street, Isando</td>
<td>Toyota Centurion/Avis – Kempton Park</td>
<td>Avis Croydon – Kempton Park</td>
</tr>
<tr>
<td><strong>Effective date of valuation</strong></td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg</td>
<td>2 Electron Avenue, Isando</td>
<td>8 Anvil Street, Isando, 1609</td>
<td>4 Anvil Road, Isando, 1609</td>
<td>1301 South Street, Centurion</td>
<td>20 Sysie Road and 2 Reier Road, Croydon, Kempton Park, 1609</td>
</tr>
<tr>
<td><strong>Legal description</strong></td>
<td>Erf 18, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 492, Isando Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Re of Erf 236, Isando, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 609, Isando, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 1962, Zwartkop Ext 24, City of Tshwane Metropolitan Municipality, Gauteng</td>
<td>Erf 909 and Erf 910 and Erf 562, Croydon, Ekurhuleni Metropolitan Municipality, Gauteng</td>
</tr>
<tr>
<td><strong>Tenure/onerous title conditions</strong></td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
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</tr>
<tr>
<td><strong>Land and/or buildings</strong></td>
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<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
</tr>
<tr>
<td><strong>Area of site (m²)</strong></td>
<td>86 156</td>
<td>154 736</td>
<td>11 631</td>
<td>16 571</td>
<td>19 133</td>
<td>57 737</td>
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<td><strong>GLA (m²)</strong></td>
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<td>23 461</td>
<td>9 902</td>
<td>7 525</td>
<td>14 001</td>
<td></td>
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<tr>
<td><strong>Date of inspection</strong></td>
<td>23 July 2018</td>
<td>17 July 2018</td>
<td>2 August 2018</td>
<td>23 July 2018</td>
<td>16 July 2018</td>
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<tr>
<td><strong>Capitalisation rate</strong></td>
<td>9.25%</td>
<td>9.00%</td>
<td>9.00%</td>
<td>8.75%</td>
<td>9.00%</td>
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</tr>
<tr>
<td><strong>Net income after TI and capex at 31/08/2019</strong></td>
<td>R17 270 402.00</td>
<td>R19 640 808.00</td>
<td>R8 575 200.00</td>
<td>R10 879 800.00</td>
<td>R12 102 321.00</td>
<td></td>
</tr>
<tr>
<td><strong>Estimated capital value @ 31/08/2018</strong></td>
<td>R186 707 046.00</td>
<td>R218 231 200.00</td>
<td>R95 280 000.00</td>
<td>R124 340 571.43</td>
<td>R134 470 233.33</td>
<td></td>
</tr>
<tr>
<td><strong>Market Value as at 31 August 2018 (Rounded)</strong></td>
<td>R186 710 000.00</td>
<td>R218 230 000.00</td>
<td>R95 280 000.00</td>
<td>R124 340 000.00</td>
<td>R134 470 000.00</td>
<td></td>
</tr>
</tbody>
</table>

**Development properties**

Current under redevelopment at an estimated cost of R38 million. No expenditure incurred prior to the effective date. We have estimated a post-development value at 30 September 2019 of R270 920 000.00

**Commentary**

The property comprises an irregular shaped site improved with a corporate head office and industrial warehousing prominently situated at 136 Main Reef Road in Satmar Extension 2. The property has an internal road servitude known as Deetlefs Street over the adjacent property (Erf 17 Satmar Ext 2).

The irregular shaped site is developed with various structures, which includes office blocks, workshops, factories, warehouses, stores and other ancillary facilities.

The property comprises a regular shaped stand developed with a multi storey office block linked to a triangular shaped stand developed with a parkade. For the purpose of this valuation, we have valued these two stands as a single entity.

The improvements comprising the property feature a modern motor vehicle dealership, with showrooms, office block, workshop and multi-level car parking facilities. The construction makes good use of the available space resulting in high site coverage with limited circulation space for vehicle traffic as well as for open car visitor parking.

The property is improved with a purpose-built modern luxury motor dealership facility. The dealership is all single storey construction with a mezzanine office facility located inside the main showroom structure. The facility comprises a split level integrated motor sales showroom, pre-owned covered sales deck along with service workshop, parts stores and substantial shade net covered parking facilities in the outside yard. A car wash facility and security gatehouse office is also situated in the yard area.
<table>
<thead>
<tr>
<th>PROPERTY CODE</th>
<th>7</th>
<th>8</th>
<th>9</th>
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<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property name</td>
<td>Barloworld Equipment (Pty) Ltd – Middelburg</td>
<td>Barloworld Equipment (Pty) Ltd – Atom Street, Isando</td>
<td>Barloworld Equipment (Pty) Ltd – 20 Industrie Road, Isando</td>
<td>Barloworld Power, Handling and Agriculture – 136 Main Reef Road, Satmar, Boksburg</td>
<td>Barloworld Power, Handling and Agriculture – 136 Main Reef Road, Satmar, Boksburg</td>
<td>Barloworld Power, Handling and Agriculture – 136 Main Reef Road, Satmar, Boksburg</td>
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<tr>
<td>Effective date of valuation</td>
<td>31 August 2018</td>
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<td>31 August 2018</td>
<td>31 August 2018</td>
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<tr>
<td>Address</td>
<td>41 Kilo Street, Vaalbank, Middelburg</td>
<td>3 Atom Street, Isando</td>
<td>20 Industrie Road, Isando</td>
<td>136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg</td>
<td>136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg</td>
<td>136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg</td>
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<tr>
<td>Legal description</td>
<td>Ptn 68 and Ptn 79 of Erf 3950, Middelburg Ext 11, Steve Tshwete Local Municipality, Mpuumalanga</td>
<td>Erf 681, Isando Ext 1, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 495, Isando Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 15, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 16, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 17, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
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<tr>
<td>Tenure/onerous title conditions</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
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<td>Land and/or buildings</td>
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<td>Land and buildings</td>
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<tr>
<td>Area of site (m²)</td>
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<td>2 756</td>
<td>23 276</td>
<td>24 438</td>
<td>61</td>
<td>101 493</td>
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<td>GLA (m²)</td>
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<td>3 381</td>
<td>6 042</td>
<td>28 079</td>
<td>23 July 2018</td>
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<td>Date of inspection</td>
<td>19 July 2018</td>
<td>17 July 2018</td>
<td>17 July 2018</td>
<td>23 July 2018</td>
<td>9.00%</td>
<td>9.00%</td>
</tr>
<tr>
<td>Capitalisation rate</td>
<td>9.50%</td>
<td>9.00%</td>
<td>9.00%</td>
<td>9.50%</td>
<td>9.00%</td>
<td>9.00%</td>
</tr>
<tr>
<td>Net income after TI and capex at 31/08/2019</td>
<td>R5 358 386.86</td>
<td>R2 649 816.00</td>
<td>R4 429 572.00</td>
<td>R17 658 287.40</td>
<td>R185 876 703.00</td>
<td>R185 880 000.00</td>
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<tr>
<td>Estimated capital value @ 31/08/2018</td>
<td>R56 404 072.25</td>
<td>R29 442 400.00</td>
<td>R56 496 806.00</td>
<td>R185 876 703.00</td>
<td>R185 880 000.00</td>
<td>R185 880 000.00</td>
</tr>
<tr>
<td>Market Value as at 31 August 2018 (Rounded)</td>
<td>R56 400 000.00</td>
<td>R29 440 000.00</td>
<td>R56 500 000.00</td>
<td>R185 876 703.00</td>
<td>R185 880 000.00</td>
<td>R185 880 000.00</td>
</tr>
<tr>
<td>Development properties</td>
<td>Property under redevelopment to accommodate a new corporate office and semi-basement car parking at an estimated cost of R98 399 308.00. An amount of around R96 600.00 has already been spent in pursuance of redevelopment. We have estimated a post-development value for the property at 31 August 2018 of R118 080 000.00 based on market conditions at the effective date.</td>
<td>Property comprises an irregular shaped stand partially developed with a part double storey part double volume structure accommodating a training centre and ancillary facilities.</td>
<td>Property comprises three individual stands (even 15, 16 and 17). Erf 15 is a swampy area.</td>
<td>Property comprises three individual stands (even 15, 16 and 17). Erf 16 is a small strip used for parking.</td>
<td>Property comprises three individual stands (even 15, 16 and 17). The improvements are situated on Erf 17 and comprise a corporate head office. The property has an internal road servitude known as Deetlefs Street.</td>
<td></td>
</tr>
<tr>
<td>Commentary</td>
<td>The site comprises two separately registered erven, namely portions 68 and 79 of Erf 3950 Middelburg ext. 11. The property is land, improved with offices, workshops, stores and yard storage areas with the majority of office, workshop and storage accommodation constructed on portion 68.</td>
<td>The property comprises a multiple storey residential structure incorporating ancillary facilities and parking. Access to the main building is off Industries and Atom Streets.</td>
<td>The property comprises an irregular shaped stand partially developed with a part double storey part double volume structure accommodating a training centre and ancillary facilities.</td>
<td>The property comprises three individual stands (even 15, 16 and 17). Erf 15 is a swampy area.</td>
<td>The property comprises three individual stands (even 15, 16 and 17). The improvements are situated on Erf 17 and comprise a corporate head office. The property has an internal road servitude known as Deetlefs Street.</td>
<td></td>
</tr>
<tr>
<td>Property name</td>
<td>Barloworld Equipment (Pty) Ltd – 17 Peter Barlow Drive, Bellville, Cape Town</td>
<td>Barloworld Isuzu Johannesburg – City Deep</td>
<td>Toyota Witbank – Emalahleni (Witbank)</td>
<td>BMW Club Motors Fountains – Pretoria</td>
<td>GM Pretoria Zambezi and Avis Zambezi</td>
<td>John Williams Langenhovenpark – Bloemfontein</td>
</tr>
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<tr>
<td>Effective date of valuation</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
</tr>
<tr>
<td>Address</td>
<td>17 Peter Barlow Drive, Bellville, Cape Town</td>
<td>1 Impex Ave, City Deep, Johannesburg, 2197</td>
<td>111 OR Tambo Street, Die Heuwel Ext 8, Emalahleni (Witbank)</td>
<td>84 Harmony Street, Muckleneuk, Pretoria</td>
<td>260 Veronica Rd, Monta AH, Magalieskuin, 0186</td>
<td>20 Cp Hoogenhout Street, Spitskop, Langenhoven Park Ext 8, Bloemfontein</td>
</tr>
<tr>
<td>Legal description</td>
<td>Erf 34062 Bellville, City of Cape Town, Western Cape</td>
<td>Erven 239 and 246, City Deep Ext 11, City of Johannesburg, Gauteng</td>
<td>Ptn 1 and RE of Erf 1117, Die Heuwel Ext 8, Emalahleni Local Municipality, Mpumalanga</td>
<td>Erf 916, Muckleneuk, City of Tshwane Metropolitan Municipality, Gauteng</td>
<td>Erf 1020, Magalieskuin Ext 74, City of Tshwane Metropolitan Municipality, Gauteng</td>
<td>Erf 1482 and Erf 1568, Langenhoven Park Ext 8, Mangaung Metropolitan Municipality, Free State</td>
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<td>Tenure/onerous title conditions</td>
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<tr>
<td>Area of site (m²)</td>
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<td>13 484</td>
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<td>GLA (m²)</td>
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<td>5 370</td>
<td>4 884</td>
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<td>Date of inspection</td>
<td>5 Sept 2018</td>
<td>2 August 2018</td>
<td>18 July 2018</td>
<td>23 July 2018</td>
<td>23 July 2018</td>
<td>24 July 2018</td>
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<tr>
<td>Capitalisation rate</td>
<td>9.00%</td>
<td>8.75%</td>
<td>8.75%</td>
<td>8.50%</td>
<td>8.75%</td>
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<tr>
<td>Net income after TI and capex at 31/08/2019</td>
<td>R4 334 745.00</td>
<td>R7 905 332.62</td>
<td>R5 515 579.00</td>
<td>R7 157 256.00</td>
<td>R7 807 680.00</td>
<td>R6 945 281.00</td>
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<tr>
<td>Estimated capital value @ 31/08/2019 (Rounded)</td>
<td>R48 163 833.33</td>
<td>R90 346 658.47</td>
<td>R63 035 191.00</td>
<td>R84 203 011.76</td>
<td>R89 230 628.57</td>
<td>R81 709 188.24</td>
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<tr>
<td>Market Value as at 31 August 2018</td>
<td>R48 160 000.00</td>
<td>R90 350 000.00</td>
<td>R63 040 000.00</td>
<td>R84 200 000.00</td>
<td>R89 230 000.00</td>
<td>R81 710 000.00</td>
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</tbody>
</table>

**Development properties**

**Commentary**

- The property comprises an irregular shaped erf which comprises land, improved with offices, workshops, warehouses and stores.
- The property itself comprises an irregular shaped stand comprising two adjoining erven improved with a modern motor dealership, along with new vehicle showrooms, workshops and pre-owned vehicle sales areas. The site also has extensive open grade yard parking facilities.
- The improvements comprising the property feature a modern motor vehicle dealership with showrooms, workshop and car parking facilities. The construction makes good use of the available space resulting in high site coverage with two-way circulation space for vehicle traffic as well as for open car visitor parking.
- The property which comprises land, improved with a modern motor dealership prominently situated off Nelson Mandela Drive, a major arterial through Pretoria CBD. The property falls under the township Muckleneuk and is located to the south of Pretoria CBD.
- The property comprises land improved with a modern motor dealership with showrooms, workshop and an Avis car rental facility. The construction makes good use of the available space and allows for an undeveloped portion of around 7 800m² that can be subdivided and sold.
- The property itself comprises an irregular shaped stand comprising two adjoining erven improved with a modern luxury Mercedes-Benz branded motor dealership, along with new vehicle showrooms, pre-owned vehicle sales area and a large passenger vehicle workshop. The site also has extensive open grade yard parking facilities, along with shade net parking bays utilised mainly for the storage of new vehicle stock and service vehicles.
<table>
<thead>
<tr>
<th>PROPERTY CODE</th>
<th>19</th>
<th>20</th>
<th>21</th>
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<th>23</th>
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</thead>
<tbody>
<tr>
<td><strong>Property name</strong></td>
<td>Toyota Middelburg (Dealership) – Middelburg</td>
<td>Toyota Middelburg (Vacant land) – 33 Dolerite Crescent, Aerorand South, Middelburg Ext 26</td>
<td>Barons N1 City and Audi N1 City – Goodwood</td>
<td>Ford Pietermaritzburg – Pietermaritzburg</td>
<td>Avis Mattboro – Eastgate Ext 11</td>
<td>Ford Pinetown – Pinetown</td>
</tr>
<tr>
<td><strong>Effective date of valuation</strong></td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>31 Dolerite Cres, Aerorand South, Middelburg Ext 26</td>
<td>33 Dolerite Cres, Aerorand South, Middelburg Ext 26</td>
<td>Cnr of Malach and Giel Basson Drive, Goodwood</td>
<td>Chatterton Rd, Town Hill, Pietermaritzburg, 3200</td>
<td>Polypmia Street, Eastgate Ext 11</td>
<td>113 Old Main Road, Pinetown</td>
</tr>
<tr>
<td><strong>Legal description</strong></td>
<td>Ptn 9, Erf 10768, Middelburg Ext 26, Steve Tshwete Local Municipality, Mpumalanga</td>
<td>Ptn 10, Erf 10768, Middelburg Ext 26, Steve Tshwete Local Municipality, Mpumalanga</td>
<td>Erf 36557 and Erf 36558, Goodwood, City of Cape Town, Western Cape</td>
<td>Erf 321, Eastgate Ext 11, City of Johannesburg, Gauteng</td>
<td>Erf 4005, Pinetown, Ethekwini, KwaZulu-Natal</td>
<td></td>
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<tr>
<td><strong>Tenure/onerous title conditions</strong></td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
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<td><strong>Area of site (m²)</strong></td>
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<td>9 747</td>
<td>22 864</td>
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<td><strong>GLA (m²)</strong></td>
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<td>Land</td>
<td>9 278</td>
<td>4 547</td>
<td>4 929</td>
<td>5 370</td>
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<tr>
<td><strong>Date of inspection</strong></td>
<td>18 July 2018</td>
<td>17 July 2018</td>
<td>25 July 2018</td>
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<td><strong>Capitalisation rate</strong></td>
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<td>0.00%</td>
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<tr>
<td><strong>Net income after TI and capex at 31/08/2019</strong></td>
<td>R5 944 411.00</td>
<td>n/a</td>
<td>R13 556 771.00</td>
<td>R4 862 460.00</td>
<td>R3 106 740.00</td>
<td>R3 981 168.00</td>
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<td><strong>Estimated capital value @ 31/08/2018 (Rounded)</strong></td>
<td>R67 936 127.00</td>
<td>R1 54 904 523.00</td>
<td>R5 570 971.43</td>
<td>R5 505 600.00</td>
<td>R4 515 497.14</td>
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<tr>
<td><strong>Market Value as at 31 August 2018 (Rounded)</strong></td>
<td>R67 940 000.00</td>
<td>R154 900 000.00</td>
<td>R55 570 000.00</td>
<td>R55 510 000.00</td>
<td>R4 500 000.00</td>
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<tr>
<td><strong>Development properties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commentary</strong></td>
<td>The improvements comprising the property feature a modern motor vehicle dealership, with showrooms, workshop and car parking facilities. The construction makes good use of the available space resulting in high site coverage with two-way circulation space for vehicle traffic as well as for open car visitor parking. Value includes property code A87.</td>
<td>The property was valued with the Barloworld Middelburg Toyota Dealership (Property code A18) as it forms part of the Middelburg Toyota Dealership and is used by them as a car stock yard.</td>
<td>The properties previously known as “Erf 36557” and “Erf 36039” have been consolidated to form “Erf 36558” (as shown in the Valuation Report). Each dealership has been developed independently but share a single area used as a display for Barons on the ground level and a used car parking deck for Audi. For this reason we have done the valuation calculations separately for each dealership to reflect individual value potential but provide a combined value for submission.</td>
<td>The property comprises an “L” shaped site developed with a modern motor vehicle dealership, with showrooms, workshop, stores and parking facilities. The property has a good exposure and accessibility to and from Chatterton Road.</td>
<td>There are plans to demolish and build a smaller structure at an estimated cost of R17 000 000.00. We have estimated a post-development value for the property at 31 August 2018 of R26 940 000.00.</td>
<td></td>
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</table>

- Property code A18: Toyota Middelburg (Dealership) – Middelburg
- Property code A87: Toyota Middelburg (Vacant land) – 33 Dolerite Crescent, Aerorand South, Middelburg Ext 26
- Property code A19: Barons N1 City and Audi N1 City – Goodwood
- Property code A20: Ford Pietermaritzburg – Pietermaritzburg
- Property code A21: Avis Mattboro – Eastgate Ext 11
- Property code A22: Ford Pinetown – Pinetown
<table>
<thead>
<tr>
<th>PROPERTY CODE</th>
<th>A23</th>
<th>A24</th>
<th>A25</th>
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<th>A28</th>
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<tbody>
<tr>
<td>Property name</td>
<td>Leach Toyota – Kuruman</td>
<td>Toyota Taxi Centre – Kuils River</td>
<td>Freight/Energy 45 Eden Park Drive, Middendorp, Pietermaritzburg</td>
<td>Ford N1 City – Goodwood</td>
<td>Barons Pietermaritzburg 9 Armitage Road, Town Hill, Pietermaritzburg</td>
<td>Audi Centre Bruma, 14 Ernest Oppenheimer Rd Bruma</td>
</tr>
<tr>
<td>Effective date of valuation</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
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<tr>
<td>Address</td>
<td>Main Street, Kuruman, 8460</td>
<td>124 Van Rebeek Road, Kuils River Industria, Kuils River</td>
<td>45 Eden Park Drive, Middendorp, Pietermaritzburg</td>
<td>1 Wille Faasen Street, N1 City, Goodwood</td>
<td>9 Armitage Road, Town Hill, Pietermaritzburg</td>
<td>14 Ernest Oppenheimer Road, Bruma, 2026</td>
</tr>
<tr>
<td>Legal description</td>
<td>Erf 6033, Kuruman, Ga Segonyana Municipality, Northern Cape</td>
<td>Erf 7980, Kuils River, City of Cape Town, Western Cape</td>
<td>Ptn 5, Erf 194, Shorts Retreat, Msunduzi, KwaZulu-Natal</td>
<td>Erf 38241, Goodwood, City of Cape Town, Western Cape</td>
<td>Ptn 16, Erf 1556, Pietermaritzburg, Msunduzi, KwaZulu-Natal</td>
<td>Ptn 66, Erf 201, Bruma, City of Johannesburg, Gauteng</td>
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<td>Tenure/onerous title conditions</td>
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<td>Freehold. No onerous conditions of Title to report</td>
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<td>Area of site (m²)</td>
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<td>GLA (m²)</td>
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<td>5 009</td>
<td>3 209</td>
<td>4 371</td>
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<td>Date of inspection</td>
<td>13 July 2018</td>
<td>16 July 2018</td>
<td>26 July 2018</td>
<td>16 July 2018</td>
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<tr>
<td>Capitalisation rate</td>
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<td>9.25%</td>
<td>10.25%</td>
<td>8.75%</td>
<td>8.75%</td>
<td>8.50%</td>
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<td>Net income after TI and capex at 31/08/2019</td>
<td>R2 022 492.00</td>
<td>R1 847 216.00</td>
<td>R4 608 005.00</td>
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<td>Estimated capital value @ 31/08/2018</td>
<td>R21 864 778.38</td>
<td>R19 969 899.00</td>
<td>R44 958 146.34</td>
<td>R59 640 669.26</td>
<td>R55 904 595.66</td>
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<td>Market Value as at 31 August 2018 (Rounded)</td>
<td>R21 860 000.00</td>
<td>R20 000 000.00</td>
<td>R44 960 000.00</td>
<td>R59 640 000.00</td>
<td>R55 900 000.00</td>
<td>R52 730 000.00</td>
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<tr>
<td>Development properties</td>
<td>The property has been improved by means of several retail and industrial type structures and has been converted into a retail motor dealership facility.</td>
<td>The property, which comprises land, improved with a recently refurbished modern motor dealership, with showrooms, offices, workshop and car parking facilities.</td>
<td>The property comprises a rectangular shaped site measuring approximately 5.6ha in extent and improved with a light industrial facility comprising a double storey office block, a double volume workshop, truck wash bay, drivers’ dormitory and a training centre facility.</td>
<td>The improvements comprising the property feature a modern motor vehicle dealership, with showrooms, workshop and multi-level car parking facilities.</td>
<td>The irregular shaped site is developed with two motor vehicle dealerships, with showrooms, workshop, stores and parking facilities.</td>
<td>The improvements comprising the property feature a modern motor vehicle dealership, with showrooms, workshop and car parking facilities.</td>
</tr>
<tr>
<td>Commentary</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Property name</strong></td>
<td>Ford Alberton</td>
<td>Ford Parts Selby, 53 Trump Street, Selby</td>
<td>Toyota Kulls River Hino</td>
<td>Toyota Kulls River 124 Van Rebeec</td>
<td>Barloworld</td>
<td>Toyota Kulls River PDI Centre, 3 Energie Street, Industria, Kulls River</td>
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<tr>
<td><strong>Effective date of valuation</strong></td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
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<td>31 August 2018</td>
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<tr>
<td><strong>Address</strong></td>
<td>12 Redruth Street, Cnr Voortrekker and Redruth Alberton</td>
<td>53 Trump Street, West and 51 Igtius Street, Selby Ext 4, Johannesburg</td>
<td>3 Energie Street, Industria, Kulls River</td>
<td>124 Van Rebeek Road, Kulls River Industria, Kulls River</td>
<td>24 Church Street, Hamilton, Bloemfontein</td>
<td>3 Energie Street, Industria, Kulls River</td>
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<tr>
<td><strong>Legal description</strong></td>
<td>Erf 1117, New Redruth, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 372 and Erf 373, Selby Ext 4, City of Johannesburg, Gauteng</td>
<td>Erf 24348, Kulls River, City of Cape Town, Western Cape</td>
<td>Erf 24167, Kulls River, City of Cape Town, Western Cape</td>
<td>Remaining Extent of Erf 25009, Bloemfontein, Mangaung Metropolitan Municipality, Free State</td>
<td>Erf 6434/5/6, Kulls River, City of Cape Town, Western Cape</td>
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<td><strong>Tenure/onerous title conditions</strong></td>
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<td>Land and buildings</td>
<td>Land and buildings</td>
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<td><strong>Area of site (m²)</strong></td>
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<td>6 180</td>
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<td>9.50%</td>
<td>9.25%</td>
<td>8.75%</td>
<td>9.00%</td>
<td>9.25%</td>
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<td>R4 431 240.00</td>
<td>R1 165 092.00</td>
<td>R1 825 094.00</td>
<td>R3 108 960.00</td>
<td>R1 243 212.00</td>
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<td>R50 642 742.86</td>
<td>R12 264 126.32</td>
<td>R19 730 745.95</td>
<td>R35 530 971.43</td>
<td>R13 813 466.67</td>
<td>R23 781 465.00</td>
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<tr>
<td><strong>Market Value as at 31 August 2018 (Rounded)</strong></td>
<td>R50 640 000.00</td>
<td>R12 260 000.00</td>
<td>R19 730 000.00</td>
<td>R35 530 000.00</td>
<td>R13 810 000.00</td>
<td>R23 780 000.00</td>
</tr>
<tr>
<td><strong>Development properties</strong></td>
<td>The property which comprises land improved with a modern motor dealership, with showrooms, workshop and car parking facilities.</td>
<td>The property consists of two erven which have been notarial tied. The property comprises of land which is improved with a warehouse, parking and offices.</td>
<td>The improvements comprising the property feature a modern Hino Service Centre, with offices, workshop, storage, a car wash facility and truck parking yard.</td>
<td>The improvements comprising the property feature a modern Hino Service Centre, with workshops and car parking facilities.</td>
<td>The property improves land, improved with a vehicle service facility prominently situated at the corner of Van Rebeek Road and Energie Street in Kulls River.</td>
<td>The improvements comprising the property feature a modern Hino Service Centre, with offices, workshop, storage, a car wash facility and truck parking yard.</td>
</tr>
<tr>
<td>PROPERTY CODE</td>
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<tr>
<td>Property name</td>
<td>Avis Port Elizabeth Office</td>
<td>Blackheath 125 Dymo Way, Wimbledon Estate, Blackheath</td>
<td>Cape Town Airport Parking</td>
<td>Barloworld Equipment (Pty) Ltd Kathu</td>
<td>BMW Club Motors Fountains ARC</td>
<td>Barons Tokai 171 Tokai Road Ext, Tokai, Cape Town</td>
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<tr>
<td>Effective date of valuation</td>
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<td>31 August 2018</td>
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<td>31 August 2018</td>
<td>31 August 2018</td>
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<tr>
<td>Address</td>
<td>Port Elizabeth airport property, 4 – 8 de Haviland Street, Jet Park, Walmer</td>
<td>25 Dymo Way, Wimbledon Estate, Blackheath</td>
<td>Cape Town Airport Parking, 17 Unmade Public Road</td>
<td>4 Ian Flemming St, Kathu, 8446</td>
<td>629 Steve Biko Rd and 626 8th Avenue, Gezina, Pretoria, 0031</td>
<td>171 Tokai Road Ext, Tokai, Cape Town, 7945</td>
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<td>Legal description</td>
<td>Erf 11674, Walmer, Nelson Mandela Bay Metropolitan Municipality, Eastern Cape</td>
<td>Erf 934, Blackheath, City of Cape Town, Western Cape</td>
<td>Erf 166133, Cape Town, City of Cape Town, Western Cape</td>
<td>Erf 1411, Kathu, Gannaga Municipality, Northern Cape</td>
<td>Erf 725 and Erf 103 and RE of Erf 103 and RE of Erf 120, Gezi, City of Tshwane Metropolitan Municipality, Gauteng</td>
<td>Erf 166174, Cape Town, City of Cape Town, Western Cape</td>
</tr>
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<td>Tenure/onerous title conditions</td>
<td>The property is held in freehold but it is noted that Avis Rent a Car also holds a lease over adjoining land which is used for the parking of vehicles.</td>
<td>Freehold, No onerous conditions of Title to report</td>
<td>Freehold, No onerous conditions of Title to report</td>
<td>Freehold, No onerous conditions of Title to report</td>
<td>Freehold, No onerous conditions of Title to report</td>
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<td>Land and buildings</td>
<td>Land and buildings</td>
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<tr>
<td>Area of site (m²)</td>
<td>12 664</td>
<td>19 145</td>
<td>20 908</td>
<td>8 750</td>
<td>9 570</td>
<td>6 253</td>
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<tr>
<td>GLA (m²)</td>
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<td>4 483</td>
<td>3 075</td>
<td>3 874</td>
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<td>17 July 2018</td>
<td>16 July 2018</td>
<td>16 July 2018</td>
<td>13 July 2018</td>
<td>8 August 2018</td>
<td>16 July 2018</td>
</tr>
<tr>
<td>Capitalisation rate</td>
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<td>9.25%</td>
<td>9.00%</td>
<td>9.50%</td>
<td>9.25%</td>
<td>8.75%</td>
</tr>
<tr>
<td>Net income after TI and capex at 31/08/2019</td>
<td>R1 060 384.00</td>
<td>R2 958 293.70</td>
<td>R6 120 000.00</td>
<td>R2 019 922.00</td>
<td>R2 002 493.00</td>
<td>R3 766 452.00</td>
</tr>
<tr>
<td>Estimated capital value @ 31/08/2018 (Rounded)</td>
<td>R11 463 613.00</td>
<td>R31 981 553.51</td>
<td>R68 000 000.00</td>
<td>R21 262 336.00</td>
<td>R21 648 577.00</td>
<td>R43 045 165.71</td>
</tr>
<tr>
<td>Market Value as at 31 August 2018 (Rounded)</td>
<td>R11 460 000.00</td>
<td>R31 980 000.00</td>
<td>R68 000 000.00</td>
<td>R21 260 000.00</td>
<td>R21 650 000.00</td>
<td>R43 050 000.00</td>
</tr>
<tr>
<td>Development properties</td>
<td>The property is being used by Rent a Car (Avis Budget) as a turnaround yard and consists of the following improvements (less than five years old): Office block; Gate House; Refuelling facility; Wash bay; Canteen facility with the back section of the property, used for parking, is being leased.</td>
<td>The improvements comprising the property feature a modern two storey office block attached to a warehouse used as a PDI centre, a covered car parking facility with an internal car wash and an open parking yard.</td>
<td>The property, which comprises land, improved with a car rental depot. The improvements comprising the property feature a modern office block, petrol station, car wash facility, covered car parking area and the rest of the site is open parking yard.</td>
<td>The property is being used as a Barloworld equipment site. The property is land, improved with double storey admin building at front with large equipment parts store at the back. Small canteen and training facilities as well. Lots of shade net parking and yard areas.</td>
<td>The improvements on the property feature an Auto Repairs Centre, with an Aer-o-prep spray area, workshop, part stores and parking facilities. To the rear of the property are four stands, recently cleared and demolished, which will be used as overflow parking.</td>
<td>The property improvements feature a large modern motor vehicle dealership, with showrooms, workshop and multi-level car parking facilities.</td>
</tr>
</tbody>
</table>

Commentary

The property is being used by Rent a Car (Avis Budget) as a turnaround yard and consists of the following improvements (less than five years old): Office block; Gate House; Refuelling facility; Wash bay; Canteen facility with the back section of the property, used for parking, is being leased.

The improvements comprising the property feature a modern two storey office block attached to a warehouse used as a PDI centre, a covered car parking facility with an internal car wash and an open parking yard.

The property, which comprises land, improved with a car rental depot. The improvements comprising the property feature a modern office block, petrol station, car wash facility, covered car parking area and the rest of the site is open parking yard.

The property is being used as a Barloworld equipment site. The property is land, improved with double storey admin building at front with large equipment parts store at the back. Small canteen and training facilities as well. Lots of shade net parking and yard areas.

The improvements on the property feature an Auto Repairs Centre, with an Aer-o-prep spray area, workshop, part stores and parking facilities. To the rear of the property are four stands, recently cleared and demolished, which will be used as overflow parking.

The property improvements feature a large modern motor vehicle dealership, with showrooms, workshop and multi-level car parking facilities.
<table>
<thead>
<tr>
<th>PROPERTY CODE</th>
<th>43</th>
<th>44</th>
<th>45</th>
<th>46</th>
<th>47</th>
<th>48</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property name</td>
<td>Coachworks Isando 13 Diesel Road, Isando</td>
<td>Barloworld Equipment (Pty) Ltd 1 Gamma Road, Germiston</td>
<td>Marline MEGA and Freight – Corner Road 5 and Road 3, Brentwood Park, Benoni</td>
<td>DTS – 20 Industrial Road, Kraaifontein Industria</td>
<td>Barloworld Equipment (Pty) Ltd – East London</td>
<td>Barloworld Equipment (Pty) Ltd, Middelburg Ext 11</td>
</tr>
<tr>
<td>Effective date of valuation</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
</tr>
<tr>
<td>Address</td>
<td>13 Diesel Road, Isando</td>
<td>1 Gamma Road, Germiston Central, Germiston Ext 4</td>
<td>Corner Road 5 and Road 3, Brentwood Park, Plantation, Benoni</td>
<td>20 Industrial Road, Kraaifontein Industria, Western Cape</td>
<td>2 Portland Road, Woodbrook, East London</td>
<td>Corner Watt Street and Liter Street, Vaalbank, Middelburg Ext 11</td>
</tr>
<tr>
<td>Legal description</td>
<td>Erf 173, Isando, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Erf 1696, Germiston Ext 7, City of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Ptn 95, Farm 66 – LR “Rietpan”, Gauteng</td>
<td>Erf 13704, Kraaifontein, City of Cape Town, Western Cape</td>
<td>Erf 19831, East London, Buffalo City Metropolitan Municipality, Eastern Cape</td>
<td>Ptn 7, Erf 3948, Middelburg Ext 11, Steve Tshwete Local Municipality, Mpumalanga</td>
</tr>
<tr>
<td>Tenure/onerous title conditions</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
</tr>
<tr>
<td>Land and/or buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
</tr>
<tr>
<td>Area of site (m²)</td>
<td>7 334</td>
<td>11 097</td>
<td>20 229</td>
<td>11 579</td>
<td>7 984</td>
<td>14 590</td>
</tr>
<tr>
<td>GLA (m²)</td>
<td>4 468</td>
<td>5 496</td>
<td>1 688</td>
<td>1 800</td>
<td>1 924</td>
<td>3 934</td>
</tr>
<tr>
<td>Date of inspection</td>
<td>13 August 2018</td>
<td>8 August 2018</td>
<td>20 August 2018</td>
<td>18 July 2018</td>
<td>16 July 2018</td>
<td>19 July 2018</td>
</tr>
<tr>
<td>Capitalisation rate</td>
<td>9.00%</td>
<td>11.00%</td>
<td>10.00%</td>
<td>8.75%</td>
<td>9.75%</td>
<td>9.50%</td>
</tr>
<tr>
<td>Net income after TI and capex at 31/08/2019</td>
<td>R2 293 920.00</td>
<td>R2 335 430.00</td>
<td>R1 889 740.42</td>
<td>R1 804 688.00</td>
<td>R705 088.00</td>
<td>R1 865 359.00</td>
</tr>
<tr>
<td>Estimated capital value @ 31/08/2018</td>
<td>R25 488 000.00</td>
<td>R21 231 185.00</td>
<td>R18 897 404.16</td>
<td>R20 625 010.00</td>
<td>R19 635 361.00</td>
<td>R19 640 000.00</td>
</tr>
<tr>
<td>Market Value as at 31 August 2018 (Rounded)</td>
<td>R25 490 000.00</td>
<td>R21 230 000.00</td>
<td>R18 900 000.00</td>
<td>R20 630 000.00</td>
<td>R17 230 000.00</td>
<td>R19 640 000.00</td>
</tr>
</tbody>
</table>

**Development properties**

<table>
<thead>
<tr>
<th>Commentary</th>
<th>The property, which comprises a regular shaped stand improved a single storey building used as a panel shop and training centre. The property is occupied by Rent a car and Barloworld Motor Retail.</th>
<th>The improvements comprising the property feature administration offices and a large warehouse facility.</th>
<th>The property comprises of a rectangular shaped site improved with a double volume workshop facility incorporating adjoining double storey office components enclosed within the workshop, a smaller freestanding warehouse and an old house converted to driver's quarters with an extensive concrete yard area as well as gravel yard area.</th>
<th>The property, which comprises a rectangular shaped stand improved with an office block, service workshop, truck drivers' accommodation and a yard with a fuel pump station and parking is prominently situated at 20 Industrial Road, the property is used as a Barloworld Transport premises.</th>
<th>The improvements of the property feature a large workshop, with offices and a large yard area of which only a part thereof is paved.</th>
<th>The site is improved with a purpose built workshop/warehouse mainly used for storage purposes with internal offices and a double storey administration building with covered shadetnet parking on site as well as paved yard areas.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPERTY CODE</td>
<td>A65</td>
<td>A67</td>
<td>A68</td>
<td>A70</td>
<td>A73</td>
<td>A46</td>
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<tr>
<td>---------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td><strong>Property name</strong></td>
<td>SMD Zandfontein – Hornsnek Road, Kirkney, Pretoria</td>
<td>Barloworld Equipment (Pty) Ltd – Pietersburg Ext 3</td>
<td>Barloworld Equipment (Pty) Ltd – Nelspruit Ext 3</td>
<td>John Williams Ladybrand – 44 Princess St, Ladybrand</td>
<td>John Williams Welkom (Dealership) – 72 Jan Hofmeyer Rd, Welkom</td>
<td>John Williams Welkom (Dealership and vacant land)</td>
</tr>
<tr>
<td><strong>Effective date of valuation</strong></td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>Portion 131 Zandfontein (317-JR), Hornsnek Road, Kirkney, Pretoria</td>
<td>14 22nd Street, Industria, Pietersburg Ext 3</td>
<td>9B Heyneke Street, Nelspruit Industrial, Nelspruit Ext 3</td>
<td>44 Princess St, Ladybrand, 9745</td>
<td>72 Jan Hofmeyer Rd, Welkom Central, Welkom Ext 31, 9480</td>
<td>72 Jan Hofmeyer Rd, Welkom Central, Welkom Ext 31, 9460</td>
</tr>
<tr>
<td><strong>Tenure/onerous title conditions</strong></td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
</tr>
<tr>
<td><strong>Land and/or buildings</strong></td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
</tr>
<tr>
<td><strong>Area of site (m²)</strong></td>
<td>122 112</td>
<td>7 138</td>
<td>7 710</td>
<td>4 232</td>
<td>7 000</td>
<td>3 000</td>
</tr>
<tr>
<td><strong>GLA (m²)</strong></td>
<td>820</td>
<td>839</td>
<td>1 790</td>
<td>1 419</td>
<td>2 819</td>
<td></td>
</tr>
<tr>
<td><strong>Date of inspection</strong></td>
<td>8 August 2018</td>
<td>20 July 2018</td>
<td>10 July 2018</td>
<td>10 August 2018</td>
<td>23 July 2018</td>
<td>23 July 2018</td>
</tr>
<tr>
<td><strong>Capitalisation rate</strong></td>
<td>9.50%</td>
<td>9.25%</td>
<td>9.50%</td>
<td>9.75%</td>
<td>na</td>
<td>9.00%</td>
</tr>
<tr>
<td><strong>Net income after TI and capex at 31/08/2019</strong></td>
<td>R590 541.00</td>
<td>R523 401.60</td>
<td>R731 446.00</td>
<td>R513 555.00</td>
<td>R0.00</td>
<td>R2 815 380.00</td>
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<tr>
<td><strong>Estimated capital value @ 31/08/2018</strong></td>
<td>R6 216 217.65</td>
<td>R5 658 385.68</td>
<td>R7 699 427.00</td>
<td>R5 267 230.77</td>
<td>R31 282 000.00</td>
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</tr>
<tr>
<td><strong>Market Value as at 31 August 2018 (Rounded)</strong></td>
<td>R6 220 000.00</td>
<td>R5 660 000.00</td>
<td>R7 700 000.00</td>
<td>R5 270 000.00</td>
<td>R31 280 000.00</td>
<td></td>
</tr>
</tbody>
</table>

**Development properties**

**Commentary**

The property has been developed with a new SMD Car Auction facility, located on Hornsnek Road, Zandfontein.

The property features a large workshop, with offices and yard area. The construction makes good use of the available space and the site is fully developed.

The improvements comprising the property feature a large workshop, with offices and yard area. The construction makes good use of the available space and the site is fully developed.

The property has a warehouse for Mercedes parts and service, with the main focus on trucks and commercial vehicles. The improvements on the property feature office space with a small reception, large parts stores and a workshop at the rear for truck and car service.

Valued with A46 The property is located on the corner of Jan Hofmeyer Road and Buiten Street in Welkom. The dealership occupies two erven. On the larger erf is the dealership and the vacant erf is solely used for parking.
<table>
<thead>
<tr>
<th>Property code</th>
<th>Property name</th>
<th>Address</th>
<th>Legal description</th>
<th>Tenure/onerous title conditions</th>
<th>Land and/or buildings</th>
<th>Area of site (m²)</th>
<th>GLA (m²)</th>
<th>Date of inspection</th>
<th>Capitalisation rate</th>
<th>Net income after TI and capex at 31/08/2018</th>
<th>Estimated capital value @ 31/08/2018 (Rounded)</th>
<th>Market Value as at 31 August 2018 (Rounded)</th>
<th>Development properties</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>A75</td>
<td>Barloworld Equipment (Pty) Ltd – 10 – 12 Milli Street and 3-5 Volt Street, Middelburg</td>
<td>SMD Chamdor – C/o Adcock St and Jacob Street, Chamdor, Krugersdorp</td>
<td>Ptn 15 and 16 and 34 and 74, Erf 3950, Middelburg Ext 11, Steve Tshwete Local Municipality, Mpumalanga</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Land and buildings</td>
<td>9 910</td>
<td>4 102</td>
<td>19 July 2018</td>
<td>9.75%</td>
<td>R2 070 754.00</td>
<td>R21 240 000.00</td>
<td>R21 400 000.00</td>
<td>Redevelopment at an estimated cost of R11 000 000.00. We have estimated a post-development value for the property at 31 August 2018 of R9 620 000.00.</td>
<td>The property comprises four separately registered properties which are improved with offices, workshops, warehouses and stores and are mainly used for storage purposes. The facility comprises offices, service workshops, a warehouse and store with mainly open parking.</td>
</tr>
<tr>
<td>A77</td>
<td>SMD Vereening – Anton Stegman St, Vereening</td>
<td>Ptn 1 – 4, Erf 258, Chamdor Ext 1, Mogale City Local Municipality, Gauteng</td>
<td>Ptn 216, Farm 594, Iq, Gauteng</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Land and buildings</td>
<td>17 795</td>
<td>470</td>
<td>27 August 2018</td>
<td>9.00%</td>
<td>R766 800.00</td>
<td>R8 520 000.00</td>
<td>R8 520 000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A78</td>
<td>SMD Port Elizabeth – Addo Rd, Wells Estate</td>
<td>Re of Erf 615 Ptn of 590, Wells Estate, Nelson Mandela Bay Metropolitan Municipality, Eastern Cape</td>
<td>Erf 3595, Pretoria, City of Tshwane Metropolitan Municipality, Gauteng</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Land and buildings</td>
<td>22 130</td>
<td>3 023</td>
<td>27 August 2018</td>
<td>10.25%</td>
<td>R1 345 038.00</td>
<td>R13 122 324.00</td>
<td>R13 120 000.00</td>
<td></td>
<td>The property comprises huge yard areas (paved and unpaved yard areas) and is improved with a standalone single storey office building and a standalone shelter.</td>
</tr>
<tr>
<td>A80</td>
<td>SMD Port Elizabeth – Addo Rd, Wells Estate</td>
<td>Addo Rd, Port Elizabeth, 6000</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Land and buildings</td>
<td>12 488</td>
<td>199</td>
<td>17 August 2018</td>
<td>10.00%</td>
<td>R440 706.78</td>
<td>R4 407 067.85</td>
<td>R4 410 000.00</td>
<td></td>
<td></td>
<td>The property, which comprises land, improved with an Avis Rental. The improvements comprising the property feature standalone offices and parking facilities.</td>
</tr>
<tr>
<td>A82</td>
<td>Avis Pretoria (Combined), 70 Francis Baard Street, Pretoria</td>
<td>Anton Stegman St, Roods Gardens AH, Vereeniging, 1900</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Land and buildings</td>
<td>4 848</td>
<td>499</td>
<td>15 August 2018</td>
<td>9.00%</td>
<td>R451 177.00</td>
<td>R5 013 080.00</td>
<td>R5 010 000.00</td>
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</tr>
<tr>
<td>A84</td>
<td>Avis Pretoria (Combined), 70 Francis Baard Street, Pretoria</td>
<td>C/o Adcock St and Jacob Street, Chamdor, Krugersdorp, 1754</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Land and buildings</td>
<td>2 628</td>
<td>890</td>
<td>10 July 2018</td>
<td>9.50%</td>
<td>R777 748.00</td>
<td>R8 186 820.00</td>
<td>R8 190 000.00</td>
<td></td>
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</tr>
</tbody>
</table>

**Commentary**

- The site comprises of four separately registered properties which are improved with offices, workshops, warehouses and stores and are mainly used for storage purposes. The facility comprises offices, service workshops, a warehouse and store with mainly open parking.
- The property, which comprises land, is improved with a motor dealership with an inside vehicle showroom, offices and a vehicle display canopy attached as well as several shops which are rented to tenants and are located inside the main building with other improvements such as ablations, stores, a security room as well as an old dilapidated closed off vacated dwelling on the site.
- The property comprises huge yard areas (paved and unpaved yard areas) and is improved with a standalone single storey office building and a standalone shelter.
<table>
<thead>
<tr>
<th>PROPERTY CODE</th>
<th>61</th>
<th>62</th>
<th>63</th>
<th>64</th>
<th>64 properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property name</td>
<td>SMD Nelspruit – 18C Wilkens Rd, Rocky Drift, Nelspruit</td>
<td>Avis Roodepoort – 499 Ontdekkers Road, Florida Hills</td>
<td>Avis Menlyn (Combined), 62 25th St, Pretoria</td>
<td>Avis Rustenburg – Avis Rustenburg, 54 von Wielligh Street</td>
<td>Totals</td>
</tr>
<tr>
<td>Effective date of valuation</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td>31 August 2018</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td>18C Wilkens Rd, Rocky Drift, Nelspruit, 1200</td>
<td>499 Ontdekkers Road, Florida Hills, Roodepoort</td>
<td>Avis Menlyn (Combined) 62 25th St, Pretoria, Menlyn, 0081</td>
<td>Avis Rustenburg, 54 von Wielligh Street</td>
<td></td>
</tr>
<tr>
<td>Legal description</td>
<td>Re of Erf 38, Rocky Drift Ext 2, Mbombela Local Municipality, Mpumalanga</td>
<td>Erf 109, Florida Hills, City of Johannesburg, Gauteng</td>
<td>Erf 980, Menlo Park, City of Tshwane Metropolitan Municipality, Gauteng</td>
<td>Pin 4, Erf 1170, Rustenburg Local Municipality, North-West</td>
<td></td>
</tr>
<tr>
<td>Tenure/onerous title conditions</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td>All properties are freehold and there are no onerous conditions detailed in the Title Deed</td>
</tr>
<tr>
<td>Land and/or buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
<td>Land and buildings</td>
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<tr>
<td>Area of site (m²)</td>
<td>5 418</td>
<td>1 497</td>
<td>3 091</td>
<td>1 651</td>
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<tr>
<td>GLA (m²)</td>
<td>119</td>
<td>244</td>
<td>201</td>
<td>164</td>
<td></td>
</tr>
<tr>
<td>Date of inspection</td>
<td>10 July 2018</td>
<td>27 August 2018</td>
<td>15 August 2018</td>
<td>16 August 2018</td>
<td>July and August 2018</td>
</tr>
<tr>
<td>Capitalisation rate</td>
<td>9.75%</td>
<td>9.00%</td>
<td>8.50%</td>
<td>9.25%</td>
<td>9.06%</td>
</tr>
<tr>
<td>Net income after TI and capex at 31/08/2019</td>
<td>R211 191.00</td>
<td>R308 700.00</td>
<td>R503 448.00</td>
<td>R158 974.00</td>
<td>R1 158 974.00</td>
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<tr>
<td>Estimated capital value @ 31/08/2018</td>
<td>R2 168 061.54</td>
<td>R3 430 000.00</td>
<td>R5 922 917.65</td>
<td>R1 718 635.00</td>
<td>R2 754 617 400</td>
</tr>
<tr>
<td>Market Value as at 31 August 2018 (Rounded)</td>
<td>R2 170 000.00</td>
<td>R3 430 000.00</td>
<td>R5 920 000.00</td>
<td>R1 720 000.00</td>
<td>R2 754 617 400</td>
</tr>
<tr>
<td>Development properties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commentary</td>
<td>The property improvements feature standalone single storey offices and parking facilities.</td>
<td>The property, which comprises land, improved with an Avis Rental. The improvements comprising the property feature offices and parking facilities.</td>
<td>The property, which comprises land, improved with an Avis Rental. The improvements comprising the property feature offices and parking facilities.</td>
<td>The property, which comprises a rectangular shaped stand, improved with a double storey office building, a wash bay area and open parking areas. It is currently used for car rental purposes by Rent a Car Avis Budget.</td>
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79
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<td>Barloworld South Africa (Pty) Ltd</td>
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<td>Toyota Centurion &amp; Avis</td>
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<td>Internal triple-net lease – Barloworld South Africa (Pty) Ltd (divisions – Avis Fleet Services, Corporate Office, Salaries, IT &amp; DDS)</td>
<td>Barloworld Motor Retail South Africa (Pty) Ltd a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Rent-A-Car a division of Barloworld South Africa (Pty) Ltd</td>
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<td>Toyota Wittbank</td>
<td>BMW Fountains</td>
<td>GM Pretoria Zambezi &amp; Avis Zambezi</td>
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<td>Clidet No 629 (Pty) Ltd</td>
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<td>Barloworld tenant/trading division</td>
<td>Toyota Middelburg (Dealership)</td>
<td>Barons N1 City &amp; Audi N1 City</td>
<td>Ford Pietermaritzburg</td>
<td>Avis Pretoria</td>
<td>Ford Pretoria</td>
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<td>R12 117 233.65</td>
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<td>Freight/Energy</td>
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<td>Audi and Barons Pietermaritzburg</td>
<td>Audi Centre Bruma</td>
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<td>Barloworld Transport (Pty) Ltd</td>
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<td>Toyota Kuilsriver</td>
<td>Barloworld Equipment</td>
<td>Toyota Kuilsriver PDI Centre</td>
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<td>Tenant – registered name</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
</tr>
<tr>
<td>Barloworld Limited/ BHBW (50% JV) – External direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<td>External parties – direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
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<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
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<td>n/a</td>
<td>n/a</td>
<td>2020/09/30</td>
<td>n/a</td>
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<td>Rental monthly 2019</td>
<td>R115 145.18</td>
<td>R253 888.57</td>
<td>R425 073.44</td>
<td>R103 989.50</td>
<td>R145 423.56</td>
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<td>Rental annual 2019</td>
<td>R1 381 742.19</td>
<td>R3 046 662.85</td>
<td>R5 100 881.30</td>
<td>R1 247 874.00</td>
<td>R1 745 082.66</td>
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<td>Broll market-related rental monthly 2019</td>
<td>R97 091.00</td>
<td>R156 795.00</td>
<td>R259 080.00</td>
<td>R103 601.00</td>
<td>R188 985.00</td>
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<td>Broll market-related annual rental 2019</td>
<td>R1 165 092.00</td>
<td>R1 825 094.00</td>
<td>R3 108 960.00</td>
<td>R1 243 212.00</td>
<td>R2 199 785.00</td>
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<td>Broll valuation 31 August 2018</td>
<td>R12 260 000.00</td>
<td>R19 730 000.00</td>
<td>R35 530 000.00</td>
<td>R13 810 000.00</td>
<td>R23 780 000.00</td>
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<td>9.50%</td>
<td>9.25%</td>
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<td>Barloworld Auto (Pty) Ltd</td>
<td>Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld South Africa (Pty) Ltd</td>
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<td>Barloworld tenant/trading division</td>
<td>Blackheath 1</td>
<td>John Williams Motors Welkom (Vacant land)</td>
<td>Avis Cape Town Airport</td>
<td>Barloworld Equipment</td>
<td>BMW Club Motors Fountains ARC 1</td>
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<td>Tenant – registered name</td>
<td>Internal triple-net lease – Barloworld South Africa (Pty) Ltd (divisions – Avis Fleet Services, Corporate Office, Salaries, IT &amp; DDS)</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Rent-A-Car a division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
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<tr>
<td>Barloworld Limited/ BHBW (50% JV) – External direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<td>Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease</td>
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<td>n/a</td>
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<td>n/a</td>
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<td>No</td>
<td>No</td>
<td>No</td>
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<td>No term specified – indefinite (initial term expired)</td>
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<td>R767 054.32</td>
<td>R23 477.54</td>
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<td>R–</td>
<td>R183 082.68</td>
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<td>R9 204 651.82</td>
<td>R281 730.44</td>
<td>R–</td>
<td>R–</td>
<td>R2 196 992.16</td>
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<td>Broil market-related monthly rental 2019</td>
<td>R246 524.00</td>
<td>R3 750.00</td>
<td>R–</td>
<td>R168 327.00</td>
<td>R166 874.00</td>
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<td>Broil market-related annual rental 2019</td>
<td>R2 958 284.00</td>
<td>R45 000.00</td>
<td>R8 120 000.00</td>
<td>R2 019 022.00</td>
<td>R2 002 493.00</td>
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<td>Broil valuation 31 August 2018</td>
<td>R21 980 000.00</td>
<td>R–</td>
<td>R68 000 000.00</td>
<td>R21 260 000.00</td>
<td>R21 650 000.00</td>
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<td>9.25%</td>
<td>9.00%</td>
<td>9.50%</td>
<td>9.25%</td>
<td>8.75%</td>
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<td>Registered owner</td>
<td>Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld South Africa (Pty) Ltd</td>
<td>BWTS Prop (Pty) Ltd</td>
<td>BWTS Prop (Pty) Ltd</td>
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<td>Registered owner – Co. reg. number</td>
<td>1948/021661/07</td>
<td>1948/021661/07</td>
<td>2003/020559/07</td>
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<td>1918/000095/06</td>
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<td>Coachworks Isando</td>
<td>Barloworld Equipment</td>
<td>Manline MEGA and Freight</td>
<td>DTS</td>
<td>Barloworld Equipment</td>
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<tr>
<td>Tenant – registered name</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Manline Freight (Pty) Ltd</td>
<td>Barloworld Transport (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
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<td>Barloworld Limited/ BHBW (50% JV) – External direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<td>Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Yes, rent &amp; operating costs</td>
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<td>External parties – direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Internal lease (Yes/No)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes &amp; sub-lease</td>
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<td>2028/01/31</td>
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<td>Rental monthly 2019</td>
<td>R247 031.02</td>
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<td>R136 000.00</td>
<td>R240 000.00</td>
<td>R68 810.30</td>
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<td>Rental annual 2019</td>
<td>R2 964 372.29</td>
<td>R–</td>
<td>R1 632 000.00</td>
<td>R2 880 000.00</td>
<td>R825 723.60</td>
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<td>Broll market-related rental monthly 2019</td>
<td>R191 160.00</td>
<td>R194 819.00</td>
<td>R157 478.00</td>
<td>R150 391.00</td>
<td>R58 737.00</td>
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<td>Broll market-related annual rental 2019</td>
<td>R2 293 920.00</td>
<td>R2 335 430.00</td>
<td>R1 889 740.00</td>
<td>R1 804 688.00</td>
<td>R705 088.00</td>
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<td>Broll valuation 31 August 2018</td>
<td>R25 490 000.00</td>
<td>R21 230 000.00</td>
<td>R18 900 000.00</td>
<td>R20 630 000.00</td>
<td>R7 230 000.00</td>
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<td>Broll cap rate</td>
<td>9.00%</td>
<td>11.00%</td>
<td>10.00%</td>
<td>8.75%</td>
<td>9.75%</td>
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<tr>
<td>Registered owner</td>
<td>Shawu Beleggings (Pty) Ltd</td>
<td>Barloworld Limited</td>
<td>Barloworld Limited</td>
<td>Barloworld South Africa (Pty) Ltd</td>
<td>CTH Magic Property Motor No 2 (Pty) Ltd</td>
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<td>Registered owner – Co. reg. number</td>
<td>1969/012193/07</td>
<td>1918/000095/06</td>
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<td>1946/021661/07</td>
<td>2006/023055/07</td>
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<td>Barloworld tenant/trading division</td>
<td>SMD Zandfontein</td>
<td>Barloworld Equipment</td>
<td>Barloworld Equipment</td>
<td>John Williams Motors Ladybrand</td>
<td>John Williams Motors Welkom (Dealship)</td>
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<tr>
<td>Tenant – registered name</td>
<td>No Lease Agreement has been signed – occupied by tenant (Salvage Management and Disposals (Pty) Ltd)</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
</tr>
<tr>
<td>Barloworld Limited/ BHBW (50% JV) – External direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>External parties – direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<td>Title deed</td>
<td>T102822/2016</td>
<td>T60274/95</td>
<td>T59603/95</td>
<td>T2548/2010</td>
<td>T20009/2007</td>
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<tr>
<td>Internal lease (Yes/No)</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td>Lease expiry</td>
<td>n/a</td>
<td>2020/09/30</td>
<td>2020/09/30</td>
<td>2023/12/31</td>
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<td>Rental monthly 2019</td>
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<td>R56 769.21</td>
<td>R45 983.51</td>
<td>R124 045.64</td>
<td>R247 663.25</td>
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<td>Rental annual 2019</td>
<td>R4 626 021.08</td>
<td>R281 230.32</td>
<td>R551 802.12</td>
<td>R1 488 547.63</td>
<td>R2 971 959.06</td>
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<td>Broll market-related rental monthly 2019</td>
<td>R49 212.00</td>
<td>R43 617.00</td>
<td>R60 954.00</td>
<td>R42 796.00</td>
<td>R234 615.00</td>
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<td>Broll market-related annual rental 2019</td>
<td>R990 541.00</td>
<td>R523 402.00</td>
<td>R731 446.00</td>
<td>R513 555.00</td>
<td>R2 815 380.00</td>
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<td>R6 220 000.00</td>
<td>R5 660 000.00</td>
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<td>R5 270 000.00</td>
<td>R31 280 000.00</td>
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<td>9.74%</td>
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<tr>
<td>Registered owner</td>
<td>Shawu Beleggings (Pty) Ltd</td>
<td>Shawu Beleggings (Pty) Ltd</td>
<td>Shawu Beleggings (Pty) Ltd</td>
<td>Barloworld South Africa (Pty) Ltd</td>
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<tr>
<td>Barloworld tenant/ trading division</td>
<td>SMD Chamdor</td>
<td>SMD Vereeniging</td>
<td>SMD Port Elizabeth</td>
<td>Avis Pretoria Down Town/Tshwane Dispatch</td>
<td>Avis Nelspruit</td>
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<td>Tenant – registered name</td>
<td>Salvage Management and Disposals (Pty) Ltd</td>
<td>Salvage Management and Disposals (Pty) Ltd &amp; sub-tenants (not signed)</td>
<td>Salvage Management and Disposals (Pty) Ltd</td>
<td>Rent-A-Car a division of Barloworld South Africa (Pty) Ltd</td>
<td>Rent-A-Car a division of Barloworld South Africa (Pty) Ltd</td>
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<tr>
<td>Barloworld Limited/ BHBW (50% JV) – External direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<td>External parties – direct lease</td>
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<td>Lease expiry</td>
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<td>R104 976.00</td>
<td>R99 727.20</td>
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<td>R77 792.23</td>
<td>R73 034.40</td>
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<td>R1 196 726.40</td>
<td>R1 007 769.60</td>
<td>R3 333 506.80</td>
<td>R876 412.80</td>
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<td>R83 900.00</td>
<td>R112 087.00</td>
<td>R36 726.00</td>
<td>R37 598.00</td>
<td>R64 812.00</td>
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<td>R766 800.00</td>
<td>R1 345 038.00</td>
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<td>R451 177.00</td>
<td>R777 748.00</td>
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<td>R8 520 000.00</td>
<td>R13 120 000.00</td>
<td>R4 410 000.00</td>
<td>R5 010 000.00</td>
<td>R8 190 000.00</td>
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<tr>
<td>Broll cap rate</td>
<td>9.00%</td>
<td>10.25%</td>
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<td>9.01%</td>
<td>9.50%</td>
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<tr>
<td>Registered owner</td>
<td>Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld South Africa (Pty) Ltd</td>
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<td>Barloworld tenant/ trading division</td>
<td>Toyota Middelburg (Vacant land)</td>
<td>Avis Roodepoort</td>
<td>Avis Menlyn</td>
<td>Avis Rustenburg</td>
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<td>Tenant – registered name</td>
<td>Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd</td>
<td>Rent-A-Car a division of Barloworld South Africa (Pty) Ltd</td>
<td>Rent-A-Car a division of Barloworld South Africa (Pty) Ltd</td>
<td>Rent-A-Car a division of Barloworld South Africa (Pty) Ltd</td>
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<tr>
<td>Barloworld Limited/ BHBW (50% JV) – External direct lease</td>
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<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<td>Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>External parties – direct lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Title deed</td>
<td>T9665/2011</td>
<td>T24530/2013</td>
<td>T89132/2015</td>
<td>T79546/2014</td>
<td></td>
</tr>
<tr>
<td>Internal lease (Yes/No)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Lease expiry</td>
<td>2024/03/31</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Rental monthly 2019</td>
<td>R–</td>
<td>R15 729.00</td>
<td>R–</td>
<td>R26 856.91</td>
<td></td>
</tr>
<tr>
<td>Rental annual 2019</td>
<td>R–</td>
<td>R188 748.00</td>
<td>R–</td>
<td>R322 282.93</td>
<td></td>
</tr>
<tr>
<td>Broll market-related rental monthly 2019</td>
<td>R–</td>
<td>R25 725.00</td>
<td>R41 954.00</td>
<td>R13 248.00</td>
<td></td>
</tr>
<tr>
<td>Broll market-related annual rental 2019</td>
<td>R–</td>
<td>R308 700.00</td>
<td>R503 448.00</td>
<td>R158 974.00</td>
<td></td>
</tr>
<tr>
<td>Broll valuation 31 August 2018</td>
<td>R–</td>
<td>R3 430 000.00</td>
<td>R5 920 000.00</td>
<td>R1 720 000.00</td>
<td></td>
</tr>
<tr>
<td>Broll cap rate</td>
<td>9.00%</td>
<td>8.50%</td>
<td>9.24%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dear Sir/Madam

AMENDMENT TO THE INDEPENDENT PROPERTY VALUER’S REPORT DATED 7 DECEMBER 2018

1. Background

Shareholders of Barloworld Limited (“Barloworld”) approved the B-BBEE transaction (“Khula Sizwe Transaction”) on 14 February 2019 based on the circular to shareholders dated 18 December 2018 (and using the terms as defined therein). In terms of the Khula Sizwe Transaction, Barloworld will dispose of a significant portion of its property portfolio to Khula Sizwe Property Holdings (RF) Limited (“Propco”), which properties will be leased by Propco to various subsidiaries of Barloworld. Subsequent to the above-mentioned shareholder approval, the operational requirements within the Barloworld Equipment division have necessitated changes to the existing property portfolio that forms part of the Khula Sizwe Transaction.

The properties detailed below are currently part of the property portfolio to be sold to Propco as part of the Khula Sizwe Transaction. However, Barloworld has determined that these properties do not meet the long term requirements of Barloworld. Barloworld and Propco accordingly wish to exclude these properties from the Khula Sizwe Transaction so that Barloworld’s subsidiaries would not be under an obligation to lease these properties from Propco under the Khula Sizwe Transaction. These properties are now to be excluded from the property portfolio being sold under the Khula Sizwe Transaction (“Excluded Properties”), as set out below:

<table>
<thead>
<tr>
<th>Properties Description</th>
<th>Amount per circular</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Gamma Road, Germiston</td>
<td>R21 230 000</td>
</tr>
<tr>
<td>Corner Watt and Liter Street</td>
<td>R19 640 000</td>
</tr>
<tr>
<td><strong>Total of Properties to be excluded</strong></td>
<td><strong>R40 870 000</strong></td>
</tr>
</tbody>
</table>

The following properties (“New Properties”) are to be acquired or have additional capital expenditure spent by Barloworld, and therefore fall into or increase the value of the property portfolio to be sold to Propco as part of the Khula Sizwe Transaction:

<table>
<thead>
<tr>
<th>Properties Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canteen and Wellness Centre – Isando</td>
<td>R19 630 000</td>
</tr>
<tr>
<td>Various properties in Middelburg</td>
<td>R14 870 000</td>
</tr>
</tbody>
</table>

**Total of Properties to be added**

R34 500 000
2. Amendment of Transaction Agreements

As a result of the aforesaid changes the relevant Transaction Agreements have been amended to exclude the Excluded Properties and to include the New Properties.

3. Effect of Amendments on our Independent Property Valuation Report

The amendments to the Transaction Agreements have the following impact on our Independent Valuation Report:

3.1 Market Value

We have amended the number of schedule properties from 64 to 66 and have amended the R2 754 617 400 value to R2 728 617 400.

3.2 Annexure A

3.2.1 Deletion of column A56 and column A63.

3.2.2 Amendment to column A03 to add details regarding the additional development expenditure for a new wellness centre amounting to R26.5 million.

3.2.3 Inclusion of columns A118, A119, A120 and A121. The new columns A118, A119, A120 and A121 have been added hereto as Annexure 1.

3.2.4 Amendment to the total column to amend the number of scheduled properties from 64 to 66 and to amend the R2 754 617 400 value to R2 728 617 400.

3.3 Annexure B

3.3.1 Deletion of column A56 and column A63.

3.3.2 Inclusion of column A118, A119, A120 and A121. The new columns A118, A119, A120 and A121 have been added hereto as Annexure 2.

4. There have been no material changes to the remainder of our valuation.

Yours sincerely

[Signature]

JUSTIN WEINER MIV (SA)
Dip P.V MIV (SA)
Professional Associate Valuer
No. 6307/6
Divisional Director Valuations
Brofill Valuation and Advisory Services Proprietary Limited
The following columns have been amended or added to Annexure A:

<table>
<thead>
<tr>
<th>PROPERTY CODE</th>
<th>03 – AMENDED</th>
<th>A118</th>
<th>A119</th>
<th>A120</th>
<th>A121</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPERTY NAME</td>
<td>Barloworld Equipment (Pty) Ltd – Isando</td>
<td>2 – 8 Volt Street, Middleburg Ext 11</td>
<td>10 Volt Street, Middleburg Ext 11</td>
<td>37 &amp; 39 Kilo Street, Middleburg Ext 11</td>
<td>4 Mega Street, Middleburg Ext 11</td>
</tr>
<tr>
<td>Address 13.23(a)(ii)</td>
<td>2 Electron Avenue, Isando</td>
<td>6 – 8 Volt Street</td>
<td>10 Volt Street</td>
<td>37 &amp; 39 Kilo Street</td>
<td>4 Mega Street</td>
</tr>
<tr>
<td>Legal Description 13.23(a)(ii)</td>
<td>Erf 492, Isando Ext 2, City Of Ekurhuleni Metropolitan Municipality, Gauteng</td>
<td>Portion 39 &amp; 40 of Erf 3950 Middleburg Ext 11</td>
<td>Portion 41 of Erf 3950 Middleburg Ext 11</td>
<td>Portion 58 &amp; 59 of Erf 3950 Middleburg Ext 11</td>
<td>Portion 17 of Erf 3950 Middleburg Ext 11</td>
</tr>
<tr>
<td>Tenure/ Onerous Title Conditions 13.23(a)(vii) 13.23(a)(viii)</td>
<td>Freehold. No onerous conditions of Title to report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area of Site (m²) 13.23(a)(iv)</td>
<td>154 735</td>
<td>4 000</td>
<td>2 004</td>
<td>4 000</td>
<td>2 267</td>
</tr>
<tr>
<td>GLA (m²)</td>
<td>23 461</td>
<td>1 287</td>
<td>976</td>
<td>416</td>
<td>1 109</td>
</tr>
<tr>
<td>Date of Inspection 13.23(a)(iii)</td>
<td>17 July 2018</td>
<td>Thursday, 28 March 2019</td>
<td>Thursday, 28 March 2019</td>
<td>Thursday, 28 March 2019</td>
<td>Thursday, 28 March 2019</td>
</tr>
<tr>
<td>Capitalisation Rate</td>
<td>9,00%</td>
<td>10,50%</td>
<td>10,75%</td>
<td>10,75%</td>
<td>11,50%</td>
</tr>
<tr>
<td>Net Income after Ti &amp; Capex as at 31 August 2019</td>
<td>R19 640 808,00</td>
<td>R600 703,95</td>
<td>R359 652,00</td>
<td>R274 800,00</td>
<td>R421 591,20</td>
</tr>
<tr>
<td>Estimated Capital Value at 31 August 2018</td>
<td>R218 231 200,00</td>
<td>R5 720 990,00</td>
<td>R3 345 600,00</td>
<td>R2 556 279,00</td>
<td>R3 666 010,00</td>
</tr>
<tr>
<td>Market Value as at 31 August 2018 ( Rounded) 13.23(a)(ii)</td>
<td>R218 230 000,00</td>
<td>R5 720 000,00</td>
<td>R3 350 000,00</td>
<td>R2 600 000,00</td>
<td>R3 200 000,00</td>
</tr>
<tr>
<td>Development Properties 13.24 (e)(ii)</td>
<td>Currently under re-development at an estimated cost of R65 million. No expenditure incurred prior to the effective date. We have estimated a post-development value at 30 September 2019 of R290 550 000,00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROPERTY CODE</td>
<td>03 – AMENDED</td>
<td>A118</td>
<td>A119</td>
<td>A120</td>
<td>A121</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>59</td>
<td>60</td>
<td>61</td>
</tr>
<tr>
<td><strong>Commentary</strong></td>
<td><strong>13.23(a)(v)</strong></td>
<td>The irregular shaped site is developed with various structures, which includes office blocks, workshops, factories, warehouses, stores and other ancillary facilities.</td>
<td>The property comprises a 2 (Two) rectangular shaped Erven each approximately 2 000m² in extent. The improvements forming part of the property comprise a main single storey steel framed structure. Attached to West façade of the main structure is a single storey structure of similar design and finish with a pitched roof. Attached to the South face of the main structure is a single storey lean to of brick construction which appears to house engineering services. Erf 40 is unimproved save for an area of concrete block paving providing vehicular access to the main structure and is utilised for car parking.</td>
<td>The property comprises a 2 (Two) rectangular shaped Erven each approximately 2 000m² in extent. The main building forming part of the property is a workshop. A single storey flat roofed brick built structure with a face brick façade and standard metal windows and used as offices is built to the North of the workshop.</td>
<td>Erf 40 is unimproved save for an area of concrete block paving providing vehicular access to the main structure and is utilised for car parking. The property comprises an irregular wedge shaped Erf sandwiched between Portion 60 of Erf 3950 Middleburg Extension 11 and Portions 15, 16, 34 and 74 of Erf 3950, Middleburg Extension 11 Township all of which Portions form part of the land holding. Presently the improvements comprise a light industrial workshop with single roller shutter door access, an attached single storey structure housing single offices and a low height store and an additional self-contained single storey structure used as offices and storage.</td>
</tr>
</tbody>
</table>
The following columns have been added to Annexure B:

<table>
<thead>
<tr>
<th>Reference</th>
<th>A118</th>
<th>A119</th>
<th>A120</th>
<th>A121</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Owner</td>
<td>Cab Bross Cc</td>
<td>T B Marree Beleggings Pty Ltd</td>
<td>Enviro Aggregates Trading Cc/Enviro Mobile Equipment Cc</td>
<td>Verweycorp Engineering Cc</td>
</tr>
<tr>
<td>Barloworld Tenant/Trading Division</td>
<td>Barloworld Equipment</td>
<td>Barloworld Equipment</td>
<td>Barloworld Equipment</td>
<td>Barloworld Equipment</td>
</tr>
<tr>
<td>Tenant – Registered name</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
<td>Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd</td>
</tr>
<tr>
<td>Barloworld Limited/ BHBW (50% JV) – EXTERNAL DIRECT LEASE</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Barloworld South Africa/ BHBW (50% JV) – BWSA SUB-LEASE</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>External Parties – Direct Lease</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Internal Lease (Yes/No)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Lease Expiry</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Current Rental Monthly 2019</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Current Rental Annual 2019</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Broll Market Related Rental Monthly 2019</td>
<td>R50 058,66</td>
<td>R29 971,00</td>
<td>R22 900,00</td>
<td>R35 132,60</td>
</tr>
<tr>
<td>Broll Market Related Annual Rental 2019</td>
<td>R600 703,95</td>
<td>R359 652,00</td>
<td>R274 800,00</td>
<td>R421 591,20</td>
</tr>
<tr>
<td>Broll Valuation 31 August 2018</td>
<td>R5 720 000,00</td>
<td>R3 350 000,00</td>
<td>R2 600 000,00</td>
<td>R3 200 000,00</td>
</tr>
<tr>
<td>Broll Cap Rate</td>
<td>10,50%</td>
<td>10,75%</td>
<td>10,75%</td>
<td>11,50%</td>
</tr>
</tbody>
</table>
Capitalised terms used in this Annexure 2, but not defined in the Prospectus shall bear the meanings ascribed to such terms in the Khula Sizwe MOI.

5. OBJECTS AND BUSINESS

5.1 Subject to clause 6.1, the main object of the Company shall be to:

5.1.1 acquire, own, hold and lease immovable fixed properties (including, without limitation, the Khula Sizwe Properties), initially as part of a B-BBEE transaction in respect of Barloworld, and to manage such properties (including without limitation receiving rental therefrom) for the benefit of Black People, and to engage in capital raising from time to time for these purposes (whether through debt or equity);

5.1.2 acquire, own and hold the Barloworld Shares (and receive and distribute dividends and other distributions from Barloworld in respect of the Barloworld Shares) utilising, the available cash and to manage such for the benefit of Black People;

5.1.3 implement the B-BBEE Listing, and matters ancillary and related thereto (including on-going compliance requirements related to the B-BBEE Listing); and

5.1.4 negotiate, conclude, implement and exercise its rights and perform its obligations in terms of the Transaction Documents and such other agreements as may be necessary to establish the business of the Company as a Black Company, and fund the acquisition of the Barloworld Shares from time to time.

5.2 The Company may also acquire, lease and manage such other properties as may be determined by the Company from time to time.

5.3 The ancillary objectives of the Company shall be unlimited and shall include, but not be limited to, the conclusion of the Finance Agreements and such other agreements as may be necessary to fund the business of the Company, and the acquisition of the Barloworld Shares from time to time.

5.4 The Company shall conduct the business of owning and leasing properties and such other business as the Company may determine from time to time. For this purpose the Company may, from time to time, establish or hold interests in subsidiaries.

6. RESTRICTIONS

6.1 The Company has all of the legal powers and capacity as an individual as contemplated in the Companies Act, save as expressly otherwise provided in this MOI.

6.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Companies Act.

6.3 This MOI contains restrictive conditions as contemplated in section 15(2)(b) of the Companies Act.

6.4 In particular and without limitation:

6.4.1 subject to the terms of the Finance Agreements, clause 19.4 places restrictions on the ability of the Company to Dispose or Encumber the Khula Sizwe Properties;

6.4.2 clause 13.6 restricts the ability of the Company to register the transfer of ownership of Ordinary Shares during the Lock In Period;

6.4.3 clause 62 restricts the ability of the Company to amend this MOI during the Empowerment Period;

6.4.4 Annexure 1 restricts the ability of the Company to register ownership of the Shares in the names of persons who are not Black People or Black Groups, with exceptions in certain instances; and

6.4.5 the Company shall be bound by the restrictions, limitations and undertakings provided for in the Framework Agreement and the Finance Agreements.

6.5 Clause 62 prescribes additional requirements for the amendment of this MOI.
8. CLASSES OF SHARES

8.1 All the Shares of the Company shall rank pari passu in all respects, save to the extent provided for in terms of the preferences, rights, limitations and other terms associated with a specific class of Shares, if applicable.

8.2 For purposes of this clause 8, pari passu shall have the meaning attributed thereto in terms of the JSE Listings Requirements.

8.3 Shares in each class for which application is made for listing on the JSE, shall rank pari passu in all respects.

8.4 The Company has 1,000,000,000 authorised Ordinary Shares (having the preferences, rights, limitations and other terms set out in Annexure 1) available for issue.

8.5 Subject to Annexure 1, the Ordinary Shares may only be issued to the Employee Trust, the Management Trust and the Black Public (pursuant to the Public Offer or as trading on the B-BBEE Segment pursuant to the B-BBEE Listing, or any subsequent offer to the Black Public).

11. CERTIFICATED AND UNCERTIFICATED SECURITIES AND SECURITIES REGISTER

11.1 Evidence of Uncertificated Securities

11.1.1 In terms of section 52(4), the CSD Participant or CSD (and not the Company), must provide a regular statement to each Person for whom any Uncertificated Securities are held in an Uncertificated Securities Register. The Company shall not issue certificates or statements evidencing or purporting to evidence title to Uncertificated Securities.

11.1.2 A Person who is entitled to and wishes to inspect an Uncertificated Securities Register may do so only through the Company in terms of section 52(2) read with section 26 and clause 54.

11.2 Subject to clause 11.3, during the Empowerment Period, unless the Company consents otherwise in writing:

11.2.1 all the Ordinary Shares shall be held as Uncertificated Securities in the name of the Custodian to act as the registered Nominee Holder, holding such Uncertificated Securities for and on behalf of each Ordinary Shareholder who will be the Beneficial Holder thereof. Each Ordinary Shareholder shall be bound by the provisions of the Strate Rules and Directives, as well as any applicable custody/mandate arrangement with the Custodian (to the extent that they relate to them (save that they shall not be liable for the fees of the Custodian in respect of the custodial role during the Empowerment Period in respect of their Ordinary Shares));

11.2.2 if and to the extent that, for whatever reason, any Ordinary Share is at any time held as either: (a) Certificated Securities; or (b) Uncertificated Securities with the registered holder being someone other than the Custodian, and the Company has not consented in writing that the Ordinary Shares may be held otherwise than as Uncertificated Securities with the Custodian, then each relevant Ordinary Shareholder unconditionally undertakes to the Company and agrees that:

11.2.2.1 the Ordinary Shareholder shall, at the Company's election, either:

11.2.2.1.1 allow any Certificated Securities to be dematerialised into Uncertificated Securities within 14 (fourteen) days of receipt of a written notice from the Company requesting that such Ordinary Share be so dematerialised, and the relevant Ordinary Shareholder hereby unconditionally and irrevocably consents to, and authorises and instructs the Company to procure such dematerialisation, with such Uncertificated Securities to be held in the name of a Nominee Holder appointed by the Company to act as the registered holder; or

11.2.2.1.2 deposit the share certificate in respect of any Certificated Securities with the Custodian within 14 (fourteen) days of receipt of a written notice from the Company requesting that the share certificate for such Ordinary Share be so deposited with the Custodian, who will retain such Certificated Securities for so long as it is held in such form;

11.2.2.2 for so long as such Ordinary Share is held in certificated form other than in the name of the Custodian, it shall only be deposited with a CSD Participant approved by the Company, it being recorded that the Company shall require that such Shareholder's mandate agreement with the relevant CSD Participant recognises the relevant terms and restrictions in respect of such Ordinary Share as contained in this MOI;

11.2.2.3 it shall not give any instructions to its CSD Participant which would constitute or result in a contravention of this MOI; and
11.2.3 an Ordinary Shareholder will, subject to clause 11.3, be entitled to rematerialise such Ordinary Shareholder’s Uncertificated Securities in accordance with section 49(6) read with section 54 of the Companies Act, whereupon such Ordinary Shareholder’s Ordinary Shares will be held in certificated form subject to the principles recorded in clause 11.2.2.1.2.

11.3 During the B-BBEE Listing Period, the Ordinary Shares shall be held as Uncertificated Securities, provided that:

11.3.1 if an Ordinary Share is held as Certificated Securities, the share certificate in respect thereof shall be deposited with and retained by the Custodian for so long as it is held in such form, provided that the Directors shall be entitled to require all Shares to be held as Uncertificated Securities, subject to any applicable regulatory requirements; and

11.3.2 if an Ordinary Share is held as Uncertificated Securities:

11.3.2.1 the relevant Ordinary Shareholder’s mandate agreement with the Person providing custody and administration services in respect of such Uncertificated Securities (including any nominee or intermediary of such service provider) must be an Approved Nominee and shall accordingly be required to recognise the restrictions imposed upon the holding and/or transfer of such Ordinary Share as contained in the Verification Terms and Conditions; and

11.3.2.2 the relevant Ordinary Shareholder shall not give any instruction to its broker or CSD Participant (or any nominee or intermediary thereof or Nominee Holder) which would constitute or result in a contravention of the provisions of the B-BBEE Listing Terms and Conditions and B-BBEE Market Notice.

11.3.3 should the B-BBEE Listing be terminated for whatsoever reason at any time during the Empowerment Period, the provisions of clauses 11.3.1 and 11.3.2 shall cease to apply and the provisions of clause 11.1 shall thereupon again apply for the remainder of the Empowerment Period.

13. TRANSFER OF SECURITIES

13.1 The instrument of transfer of any Certificated Securities shall be signed by both the transferor and the transferee and the transferor shall be deemed to remain the holder of such Certificated Securities until the name of the transferee is entered in the Securities Register.

13.2 All authorities to sign transfer deeds or other instruments of transfer granted by holders of Securities for the purpose of transferring Securities which may be lodged, produced or exhibited with or to the Company at its registered office shall, as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such a time as express notice in writing of the revocation of the same shall have been given and lodged at such of the Company’s offices at which the authority was first lodged, produced or exhibited. Even after the giving and lodging of such notice, the Company shall be entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company as being in order before the giving and the lodging of such notice.

13.3 The Directors may, however, in their discretion in such cases as they deem fit, dispense with requiring the signature of the transferee on the instrument of transfer.

13.4 The Directors may suspend the registration of transfers of Shares (including the Ordinary Shares) during the period up to 14 (fourteen) Business Days immediately preceding any general meeting of the Company and at any other times, provided that the periods of suspension at such other times shall not in any 1 (one) year exceed 60 (sixty) Business Days. During the B-BBEE Listing Period, the provisions of this clause 13.4 shall be subject to the Listing Requirements.

13.5 The Directors may decline to register any transfer unless:

13.5.1 the instrument of transfer, duly stamped, is lodged with the Company, accompanied (unless the Directors either generally or in any particular case otherwise resolve) by the certificate of the Shares to which it relates, and such other evidence as the Company may reasonably require to show the right or capacity of the transferor to make the transfer and of the transferee to accept it;

13.5.2 the Securities transfer tax (if any) thereon has been paid;

13.5.3 the instrument of transfer is in respect of only one class of Share;

13.5.4 the provisions of any law affecting transfer have been complied with; and

13.5.5 (where applicable) the provisions of clause 13.6 have been complied with.
13.6 In addition to clause 13.5:

13.6.1 during the Lock In Period, no transfer of the Ordinary Shares may be effected, and the Directors shall decline to register any such transfer; and

13.6.2 during the Empowerment Period (excluding the Lock In Period), no transfer of the Ordinary Shares may be effected, and the Directors shall decline to register any such transfer, unless the transfer is to Black Persons (other than in respect of transfers by the Management Trust and the Employee Trust to beneficiaries who are not Black Persons as set out in Annexure 1) or as otherwise expressly permitted by this MOI, unless Barloworld provides its prior written consent to such transfer.

13.7 If the Directors refuse to register a transfer they shall within 30 (thirty) Business Days after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.

13.8 Nothing contained in this MOI (but for the avoidance of doubt subject to clause 19) shall preclude the Company from recognising a renunciation of the allotment of any Share by the allottee in favour of some other Person.

13.9 A transfer of Uncertificated Securities shall be effected in terms of section 53 of the Companies Act read with the rules of the relevant CSD.

13.10 As regards any Uncertificated Securities issued by the Company at any time, the Company shall comply with the provisions of sections 52 to 55 (both sections inclusive) of the Companies Act.

18. BENEFICIAL INTERESTS

18.1. The Company’s issued Securities may be held by, and registered in the name of, one Person for the Beneficial Interest of another Person as set out in section 56(1) of the Companies Act, provided that:

18.1.1. subject to clause 18.1.2, during the Empowerment Period, Securities shall not be held for the Beneficial Interest of another Person who is not a Black Person or Black Entity without the prior written consent of the Company; and

18.1.2. during the B-BBEE Listing Period, the prohibition contemplated in clause 18.1.1 shall cease to apply, provided however that the Person who holds any Ordinary Shares for the Beneficial Interest of another as a condition to such holding recognises the terms and restrictions on transfer in respect of such as contained in this MOI and the Verification Terms and Conditions, and the relevant Ordinary Shareholder shall procure that the registered holder shall not give any instructions in respect of such Ordinary Shares which would constitute or result in a contravention of this MOI and the Verification Terms and Conditions.

18.2. Save as set out in the specific terms and conditions of any documents in terms of which Securities other than Shares are to be issued, the Company shall not permit Securities to be voted upon by the holder of a Beneficial Interest who does not hold a proxy appointment from the registered holder, notwithstanding any agreement permitting the holder of the Beneficial Interest to vote the Securities to the exclusion of the registered holder between the registered holder and the holder of the Beneficial Interest.

18.3. If any Securities of the Company are registered in the name of a Person who is not the holder of the Beneficial Interests in all such Securities of the Company, that registered holder of Securities must disclose:

18.3.1. the identity of the Person on whose behalf the Securities are held; and

18.3.2 the identity of each Person with a Beneficial interest in the Securities so held, the number and class of Securities held for each such Person with a Beneficial Interest, and the extent of each such Beneficial Interest, in accordance with the time periods as stipulated in section 56(4) of the Companies Act.

19. RESTRICTIONS ON THE SALE OR ENCUMBRANCE AND TRANSMISSION OF KHULA SIZWE ORDINARY SHARES

19.1 No Shareholders shall, during the Lock In Period, Dispose or Encumber the Ordinary Shares such Shareholder holds.

19.2 The Company shall, at all times during the Empowerment Period be, and remain, a Black Company.

19.3 Save as contemplated in the Annexure 1 and the Transaction Documents, all the Ordinary Shares will be subject to the following restrictions that, with effect from the Implementation Date and for the duration of the Empowerment Period:

19.3.1 the Ordinary Shares shall be transferred only to Black Groups and/or Black People;

19.3.2 during the B-BBEE Listing Period, the Ordinary Shares shall be traded solely on the B-BBEE Segment; and

19.3.3 Black Groups must maintain the same or a higher B-BBEE status than they had at the time of their B-BBEE Verification.
19.4 Save as contemplated in the Transaction Documents, the Company shall not Dispose and/or Encumber the Khula Sizwe Properties, during the 3-year period from the Implementation Date in order to preserve the B-BBEE treatment of the Khula Sizwe Properties under Statement 102 of the Codes. Thereafter and for the remainder of the Empowerment Period, the Company shall Dispose and/or Encumber the Khula Sizwe Properties, respectively, only if authorised by way of a Special Resolution.

21. KHULA SIZWE SHAREHOLDER UNDERTAKINGS

21.1 The provisions of this clause 21 shall apply for the duration of the Empowerment Period and fall away after the Empowerment Period.

21.2 Each Shareholder irrevocably and unconditionally undertakes that (save with the Company’s prior written consent):

21.2.1 it shall not Dispose of any of its Shares or any Beneficial Interest therein other than as is consistent with or permitted under clauses 22, 23, 24 and otherwise in terms of this MOI;

21.2.2 in respect of any permitted transfer of Shares or any Beneficial Interest therein, it shall, save in respect of any transfer effected in accordance with the B-BBEE Listing Terms and Conditions on the Exchange in respect of which a B-BBEE Listing occurs:

21.2.2.1 co-operate fully with the Board, the Transfer Secretaries or the B-BBEE Verification Agent (as applicable) in respect of such transfer;

21.2.2.2 thoroughly check that the transferee Beneficial Holder is, and at the time of transfer will be, an Eligible Shareholder;

21.2.2.3 ensure that the relevant transferee Beneficial Holder has agreed to be bound by this MOI in a form and on terms to the reasonable satisfaction of the Company; and

21.2.2.4 where applicable, that any transferee's Nominee Holder is an Approved Nominee;

21.2.3 if it is a Black Group, then during the Empowerment Period in respect of Shares acquired by it under the Transaction Documents, it shall remain a Black Group and shall maintain its B-BBEE Status at not less than the level it had at the time it acquired the Shares in question;

21.2.4 it will immediately notify the Company of any Call Event in respect of itself (or of any matter, fact, event or circumstances which, following the giving of notice and no further steps being taken by the recipient of the notice, will give rise to a Call Event in respect of itself);

21.2.5 it will not (i) perform any act (of commission or omission) within its power or control or of which it is capable, or (ii) attempt to procure or propose (other than where it is specifically required by law or by a court of law to so procure or propose) any resolution, or (iii) exercise any right as Shareholder in any way, or (iv) enter into any arrangement, transaction or agreement, or (v) otherwise take any action whatsoever or procure or propose the taking of any actions, which (alone or taken together with the acts, omissions or votes of any other Person) will or is reasonably likely (or which, following the giving of notice and no further steps being taken by the recipient of the notice, will or is reasonably likely) to result in the B-BBEE Status of the Company diminishing or reducing; and

21.2.6 it will, where so requested by the Company, exercise such rights as it has as a Shareholder to vote in favour of any resolution or take such other action as will itself (or with such other affirmative votes and/or actions by other Shareholders) as may be necessary or reasonably required to procure that the Company complies with its obligations as set out in the Transaction Documents.

21.3 Each Shareholder agrees in favour of Barloworld and the Company that Barloworld (and each member of the Barloworld Group) and/or the Company shall be entitled from time to time (and at least once in every calendar year) in their sole discretion to:

21.3.1 request in writing any Shareholder to provide it with all information and documents reasonably required by the Company and/or Barloworld (or other member of the Barloworld Group) pertaining to such Shareholder to enable it to determine and officially obtain and/or maintain its B-BBEE Status under the B-BBEE Laws (and the Empowerment Requirements); and/or

21.3.2 request in writing each Shareholder to confirm, formally in writing, its continuing compliance with its obligations under this MOI; and/or

21.3.3 request in writing the preparation and issue by an accredited or approved B-BBEE rating agency (or another suitable Person) nominated by Barloworld or the Company, from time to time, of a certificate ("B-BBEE Ownership Certificate of Compliance") recording any or all of the following (as may be requested):
21.3.3.1 the identity and composition of the Black Groups and/or Black People in such Shareholder and the composition of its board of directors, board of trustees or analogous body; and/or
21.3.3.2 whether or not the Shareholder qualifies as Black Group or Black Person; and/or
21.3.3.3 the B-BBEE Status of the Shareholder; and/or
21.3.3.4 any other matter pertaining to such Shareholder relevant to an assessment by the Company and/or Barloworld and/or other member of the Barloworld Group of its or their compliance with the Empowerment Requirements,

and undertakes to comply fully with such request within 20 Business Days thereof.

21.4 The Shareholders shall vote in favour of the election of directors nominated to be a Director or alternate Director of the Company by any Person in accordance with the nomination rights granted to it under any of the Transaction Documents, provided such nominee meets the requirements set out in this MOI with regards to Directors.

21.5 For the avoidance of doubt, the costs to a Shareholder of complying with its obligations under this clause 21 shall be for its own account.

22. RESTRICTION ON DISPOSAL OR ENCUMBRANCE OF SHARES FOR THE DURATION OF THE EMPOWERMENT PERIOD

22.1. General

22.1.1. Subject to clause 22.1.2, and for the duration of the Empowerment Period, unless otherwise agreed between Barloworld and the Company, and subject to the Listing Requirements of any relevant Exchange (where applicable):

22.1.1.1. the Company shall issue the Shares to Eligible Shareholders in uncertificated form, to be held in accordance with the provisions of this clause 22.1;

22.1.1.2. all Shares shall be held as Uncertificated Shares in the name of a Custodian to act as the registered Nominee Holder, holding such Uncertificated Shares for and on behalf of each Shareholder who will be the Beneficial Holder thereof. Each Shareholder agrees to be bound by the provisions of the Strate Rules and Directives (if the Shares are listed on the JSE or equivalent rules if listed on another Exchange) as well as any applicable custody/mandate arrangement with the Custodian (to the extent that they relate to them save that they shall not be liable for the fees of the Custodian in respect of the custodial role during the Lock In Period), in respect of his/her/its Shares;

22.1.1.3. if and to the extent that, for whatever reason, any Share is at any time held as either (i) a Certificated Share; or (ii) an Uncertificated Share with the registered holder being someone other than the Custodian, and Barloworld and the Company have not agreed that Shares may be held otherwise than as Uncertificated Shares with the Custodian, then the relevant Shareholder unconditionally undertakes and agrees that it shall, at the Company’s election, either:

22.1.1.3.1. allow any Certificated Share to be dematerialised into an Uncertificated Share within 14 days of receipt of a written notice from the Company requesting that such Share be so dematerialised, and the relevant Shareholder hereby unconditionally and irrevocably consents to, and authorises and instructs the Company to procure the dematerialisation of such Uncertificated Share to be held in the name of a Nominee Holder appointed by the Company to act as the registered holder; or

22.1.1.3.2. deposit the share certificate in respect of any Certificated Share with the Custodian within 10 Business Days of receipt of a written notice from the Company requesting that the share certificate for such Share be so deposited with the Custodian, who will retain such certificate in respect of the Certificated Share for so long as it is held in such form;

22.1.1.4. for so long as such Share is held in uncertificated form other than in the name of the Custodian, it shall only be deposited with a CSD Participant approved by the Company, it being recorded that the Company shall require that such Shareholder's mandate agreement with the relevant CSD Participant recognises the relevant terms and restrictions in respect of such Share as contained in this MOI;
22.1.5. it shall not give any instructions to its CSD Participant which would constitute or result in a
contravention of the MOI; and

22.1.6. a Shareholder will, subject to clause 22.1.2 be entitled to rematerialise his/her/its Uncertificated
Shares in accordance with section 49(6) read with section 54 of the Companies Act, whereupon
his/her/its Shares will be held in certificated form subject to the principles recorded in clause
22.1.1.3.2.

22.1.2. During the B-BBEE Listing Period, the Shares may be held as Certified Shares or Uncertificated Shares;
provided that:

22.1.2.1. the Company may require the Shares to be held as Uncertificated Shares, subject to the applicable
Listing Requirements (if any);

22.1.2.2. if a Share is held as a Certificated Share, the share certificate in respect thereof shall be deposited
with and retained by the Custodian for so long as it is held in such form;

22.1.2.3. if a Share is held as an Uncertificated Share:

22.1.2.3.1. the relevant Shareholder’s mandate agreement with the Person providing custody and
administration services in respect of such Uncertificated Share (including any nominee
or intermediary of such service provider) must be with an Approved Nominee and shall
accordingly be required to recognise the restrictions imposed upon the holding and/or
transfer of such Share as contained in the Verification Terms and Conditions; and

22.1.2.3.2. the relevant Shareholder shall not give any instruction to its broker or CSD Participant
(or any nominee or intermediary thereof or Nominee Holder) which would constitute or
result in a contravention of the provisions of the B-BBEE Listing Terms and Conditions.

22.1.3. For the avoidance of doubt, should the B-BBEE Listing be terminated for whatsoever reason, the provisions of
clause 22.1.2 shall cease to apply and the provisions of clause 22.1.1 shall thereupon again apply.

22.1.4. For the avoidance of doubt, this clause 22 applies for the duration of the Empowerment Period and falls away
at the end of the Empowerment Period.

22.2. Lock-in Period

22.2.1. Save and only to the limited extent permitted under clauses 22, 23, 24 and 25 no Shareholder shall at any time
during the Lock In Period, Dispose of any Share held by it or any Beneficial Interest therein, or otherwise cease
to be the Beneficial Holder thereof.

22.3. After the Lock-in Period until the Expiry of the Empowerment period

22.3.1. In order to promote Barloworld’s imperative to procure and maintain an optimal B-BBEE rating under the
B-BBEE Laws, each of the Shareholders agree and undertake in favour of Barloworld and the Company that,
upon the expiry of the Lock In Period, save and only to the limited extent permitted under clauses 23, 24 and
25, (i) for the remainder of the Empowerment Period that it shall not Encumber any Share (or Beneficial Interest
therein) held by it, and (ii) it shall not Dispose of any Shares (or Beneficial Interest therein) other than to Eligible
Shareholders in accordance with the provisions of this clause 22.3, and the Company undertakes not to accept
and register the transfer of any Shares (or Beneficial Interest therein) in contravention of any provision of this
clause 22.3.

22.3.2. After the Lock In Period and for the duration of the Empowerment Period, subject to clauses 23, 24 and 25:

22.3.2.1. and further subject to clause 22.3.2.2, only Eligible Shareholders may be Beneficial Holders of
Shares and only Nominees approved by the Company may be Nominee Holders of Shares, and no
transfer of any Beneficial Interest or nominee holding shall be permitted unless such transfer has
first been approved in writing by the Board (which approval shall not be unreasonably withheld or
delayed) pursuant to its consideration of any proposed transfer and subject to its verification of the
B-BBEE Status of the proposed transferee;

22.3.2.2. during the B-BBEE Listing Period, only Verified Shareholders may be Beneficial Holders of Shares
(and any holding in conflict with this will accordingly breach this provision) and only Nominees
approved by the Company may be Nominee Holders of Shares, and no Disposal may be effected, if
such Disposal is inconsistent with this provision.
22.3.3. Subject to clause 22.3.4:

22.3.3.1. the Board shall consider and approve or decline (in accordance with this clause 22.3.3) any proposed transfer pursuant to a Disposal of Shares (or Beneficial Interests therein), and shall accordingly regulate; or procure the regulation of, the registration of any such transfer;

22.3.3.2. the Board shall be entitled to appoint committee: agent or outsourced third party for these purposes;

22.3.3.3. all proposed transfers of Shares (including a change in Beneficial Interests), must therefore be submitted to the Board for consideration together with such supporting documentation in respect of the proposed transferee as is reasonably required by the Board from time to time, and which initially includes the following:

22.3.3.3.1. in respect of individuals, a copy of the proposed transferee’s identity document, proof of residence and an affidavit signed by the proposed transferee confirming that the proposed transferee is a Black Person, and any other such document as may reasonably be required by the Board;

22.3.3.3.2. in respect of Black Companies, a certified copy of their latest B-BBEE Status certification being not older than 12 months (issued by a B-BBEE rating or verification agency acceptable to the Company in its sole and absolute discretion) or, where applicable, an affidavit complying with the requirements set out in the Codes, a certified copy of their memorandum of incorporation, a certified copy of their securities register, and any other such document as may reasonably be required by the Board;

22.3.3.3.3. in respect of Black Entities, a certified copy of any applicable constitutional or other such document, a certified copy of any rules or regulations governing the operations and management of such entity, certified copies of the identity documents of the trustees or representatives of the governing body of such entity (if any), a certified copy of their beneficiaries’ register and any other such documents as may reasonably be required by the Board;

22.3.3.4. in considering any proposed transfer of Shares (including a change in Beneficial Interests), the Board shall, for the purposes of ascertaining the B-BBEE Status of any proposed transferee (and/or its impact thereon on the compliance with the Empowerment Requirements) or other relevant matter under this MOI, be entitled in addition to requesting any such additional documents as may be necessary to ascertain such B-BBEE Status, to request that such transferee (at its own expense) provide a B-BBEE Ownership Certificate of Compliance (mutatis mutandis as contemplated in clause 21.3.3);

22.3.3.5. all proposed transfers of Shares (including a change in Beneficial Interests) shall be considered by the Board as soon as reasonably possible in the circumstances subsequent to being lodged with the Board;

22.3.3.6. the Board may make any further requirements and stipulations from time to time in respect of the consideration and verification of the transfer of Shares (including a change in Beneficial Interests), and associated approvals process, as it reasonably deems fit. Without derogating from the Board’s general discretion to regulate the approval process and to amend the requirements and stipulations from time to time, and/or to call for and require additional information, whether generally or in relation to a specific transfer or class of transfers, the Board will make reasonable steps to make the relevant requirements available for inspection by Shareholders at the registered offices of the Company or such other location/s in South Africa as the Board may determine from time to time and electronically on a website designated for such purpose by the Board. Notwithstanding the foregoing, Shareholders remain responsible for ascertaining the requirements and stipulations which apply to them and to any proposed transfer by them;

22.3.3.7. if the Board is satisfied that the provisions of this MOI have been complied with, it shall approve the transfer;

22.3.3.8. an Eligible Shareholder who becomes a Verified Shareholder in terms of the above mentioned B-BBEE Verification process shall be entitled to hold and, subject to the B-BBEE Restrictions, trade (where applicable) in Shares and shall furthermore be entitled to take transfer of further Shares without the need for further verification, unless in the case of a Black Group there has been a change in circumstances that adversely affect its B-BBEE Status; and

22.3.3.9. the Board may in its sole and absolute discretion determine any dispute regarding the status of any Person as a Black Person, and any such determination by the Board shall be final and binding.
22.3.4. During the B-BBEE Listing Period:

22.3.4.1. the Company shall provide:

22.3.4.1.1. the JSE with such indemnities as may be required under section 4.32B of the Listing Requirements of the JSE; or

22.3.4.1.2. any other relevant Exchange with such indemnities as may be required under the Listing Requirements of that Exchange;

22.3.4.2. the Disposal of Shares (and Beneficial Interests therein) shall be subject to the provisions of this MOI and the Verification Terms and Conditions. The B-BBEE Verification Agent shall accordingly conduct B-BBEE Verification in respect of each Beneficial Holder (and proposed Beneficial Holder) of Shares;

22.3.4.3. in conducting B-BBEE Verification, the B-BBEE Verification Agent shall, for the purposes of ascertaining the B-BBEE Status of any proposed transferee (and/or its impact thereon on the compliance by the members of the Barloworld Group with the Empowerment Requirements) or other relevant matter under this MOI, be entitled in addition to requesting any such additional documents as may be necessary to ascertain such B-BBEE Status, to request that such transferee (at its own expense) provide a B-BBEE Ownership Certificate of Compliance (mutatis mutandis as contemplated in clause 21.3.3). The B-BBEE Verification Agent may make any further requirements and stipulations from time to time in respect of the B-BBEE Verification process and/or any Verified Shareholder. The B-BBEE Verification Agent will take reasonable steps to make the relevant requirements for B-BBEE Verification available for inspection at the registered offices of the Company (or such other location/s in South Africa as the Board may determine from time to time) and electronically on a website designated for such purpose by the Board. Notwithstanding the foregoing, Shareholders (and proposed Shareholders) remain responsible for ascertaining the requirements and stipulations which apply to them under this MOI and the Verification Terms and Conditions, and to any proposed transfer by them (including the requirements for B-BBEE Verification); and

22.3.4.4. the B-BBEE Verification Agent may in its sole and absolute discretion determine any dispute regarding the status of any Person as a Black Person, and any such determination by the B-BBEE Verification Agent shall be final and binding.

22.3.5. No Shares (or Beneficial Interest therein) shall be approved for transfer or transferred where, in the good faith opinion of the Company (and Barloworld to the extent relevant to the achievement of Barloworld’s empowerment objectives), such transfer will or might or is reasonably likely to result in a breach of any of the provisions of this MOI, the Framework Agreement and/or the Verification Terms and Conditions (where applicable).

22.3.6. To the maximum extent permitted in law, neither Barloworld nor the Board, nor any of its or their directors, officers, employees, nominees, delegates and/or agents, shall be liable to the Company and/or any of the Shareholders for any direct, indirect, extrinsic, special, penal, punitive, exemplary or consequential loss or damage of any kind whatsoever or howsoever caused, arising as a result of any act or omission (including any negligent act or omission) on the part of Barloworld or the Board (or, as the case may be, its or their directors, officers, employees, nominees, delegates and/or agents), and any such claims are hereby waived.

22.3.7. To the extent that at any time, and for whatever reason (whether intentionally, negligently or accidentally), and for so long as any Share (or Beneficial Interest therein) is transferred to or held by any Person as Beneficial Holder who is not an Eligible Shareholder or a Verified Shareholder (as the case may be) and/or any Nominee Holder who is not an Approved Nominee ("Non-qualifying Holder"), a Call Event shall be deemed to have arisen in respect of such Share if it has not been transferred to an Eligible Shareholder within 5 Business Days of written notice from the Company and clause 25 shall apply.

22.3.8. The reasonable costs and disbursements of the B-BBEE verification Agent shall be borne by the Company. Where the Board appoints a third party other than a member of the Barloworld Group or committee or sub-committee appointed by such member for the purposes of performing any function of the Board under this clause 22, the Company shall consult with Barloworld prior to making the appointment.
25. CALL OPTION

25.1 A “Call Event” shall arise in respect of a Shareholder if the circumstances set out in clauses 22.3.7, 23.1.1.3, 23.1.2.2, 24.1.1.2, 24.1.2.2, or 27.3.2 occur, and/or if the Shareholder during the Empowerment Period:

25.1.1 has misrepresented or misstated its B-BBEE Status;

25.1.2 has made a fraudulent, untrue or inaccurate statement in the Application Form submitted to the Company or in any supporting documents, or if any information contained in the Application Form submitted to the Company cannot be verified to the Company's satisfaction;

25.1.3 has made or given a fraudulent, untrue or inaccurate confirmation or representation in connection with the election to acquire Shares or its relevant information (including as to B-BBEE Status) cannot be verified to the Company's satisfaction;

25.1.4 has made a fraudulent, untrue or inaccurate statement in respect of any transfer or proposed transfer of Shares (or Beneficial Interest therein), or in any documents supporting such transfer or proposed transfer, or in any information provided to the Board, the B-BBEE Verification Agent and/or any other service provider in respect of any transfer of Shares (or Beneficial Interest therein) to such Shareholder, or any such information cannot thereafter be verified to the Company's satisfaction;

25.1.5 has made a fraudulent, untrue or inaccurate statement in respect of any other documentation or information submitted to Barloworld, the Company, the Board, the B-BBEE Verification Agent and/or any other service provider or any such information cannot be verified to the Company's satisfaction; or

25.1.6 commits an act, or there arises an event or circumstance (howsoever arising) constituting or resulting in a breach by or in respect of such Shareholder (and/or the Shares and/or Beneficial Interests held by it) of any of clauses 21, 22, 23, 24, 27, 28 and 29 of this MOI, and fails to remedy any such breach within the time period (if any) provided in the relevant clause or, if no such express remedy period is provided, within 20 Business Days of receiving written notice from the Company to do so (or such additional period as the Company may agree in writing).

25.2 If and for so long as the Call Event persists, the Company or its nominee (each an “Option Holder”), shall be entitled, but not obliged, by giving written notice to the relevant Shareholder (or its Nominee Holder, if applicable) to that effect (“Call Option Notice”), to require such Shareholder and/or Nominee Holder to sell to the Option Holder all of its Shares (and/or Beneficial Interests therein), or such number thereof as the Option Holder in its discretion may elect (“Call Shares”), and the Shareholder and/or Nominee Holder shall be obliged to sell the Call Shares to the Option Holder. If for any reason, the Option Holder is unable to exercise or otherwise give effect to the above mentioned right due to a delay in obtaining any relevant regulatory or governance approvals or such approvals not having been obtained, the Option Holder shall be entitled to cede such right to any third person determined by the Option Holder in its discretion.

25.3 The sale of the relevant Shares shall be concluded on the following terms and conditions:

25.3.1 at the Option Holder’s sole election and as recorded in the Call Option Notice, the Call Shares shall be sold and transferred with effect from either the date on which the Call Event occurred or the date of delivery of the Call Option Notice ("Call Trigger Date");

25.3.2 the Call Shares shall be delivered and transferred (as further envisaged below) on the 2nd Business Day following the later of (a) the date on which the Call Option Notice is delivered to the Shareholder or (b) the date of determination of the price therefor pursuant to clause 25.3.3, read with clause 26, subject always to any applicable regulatory and governance approvals;

25.3.3 the purchase price of the Call Shares shall be the Call Reference Price (as defined in clause 26 below) calculated as at or with reference to the Call Trigger Date, discounted by 50%;

25.3.4 the purchase price shall be payable against delivery by the Shareholder of the transfer form and share certificates (if applicable) in respect of the Call Shares if such Shares are held as Certificated Shares, or against entry of such transfer being effected in the relevant account of the CSD Participant if such Shares are held as Uncertificated Shares (as applicable), provided that if the Option Holder is not in possession of sufficient cash resources to pay the price, delivery shall nonetheless take place to an escrow agent nominated by the Option Holder and the Option Holder shall effect payment of the purchase price as soon as it is in possession of sufficient cash resources to effect the purchase price. As regards Certificated Shares, for purposes of providing the share certificate/s to the Option Holder, the Shareholder shall, upon delivering a copy of the Call Option Notice to the Custodian, procure the release of its share certificates from the Custodian to the Option Holder. If the Option Holder has not received the requisite transfer form and share certificate/s within 3 days of the date of the Call Option Notice, or for any other reason the Shareholder fails to effect transfer of the Call Shares to the Option Holder within such 3 day period, the Option Holder is hereby irrevocably and in rem suam authorised
and appointed as the Shareholder's attorney and agent, to sign the necessary transfer forms and to take all such other steps as may be required to effect the transfer of the Call Shares to the Option Holder. As regards Uncertificated Shares, for purposes of effecting transfer thereof to the Option Holder, the Shareholder shall promptly instruct its Nominee Holder/s, if any, or its CSD Participant (and any other relevant nominee or intermediary) as the case may be, to effect the required transfer. If such instruction has not been issued within 3 days of the date of the Call Option Notice, or for any other reason the Shareholder fails to effect transfer of the Call Shares to the Option Holder within such 3 day period, the Option Holder is hereby irrevocably and in rem suam authorised and appointed as the Shareholder's attorney and agent to take all such steps as may be required to effect the transfer of the Call Shares to the Option Holder;

25.3.5 the Shareholder represents and warrants to the Option Holder, on transfer of the Call Shares, (i) the Option Holder shall become the sole beneficial and registered owner of the Call Shares; (ii) the Call Shares are not Encumbered; and (iii) no Person has any right of any nature whatsoever to acquire the relevant Call Shares;

25.3.6 the Call Shares are transferred together with all rights and benefits attaching to them as from the Call Trigger Date; and

25.3.7 the securities transfer tax payable in respect of the registration of the transfer of the Call Shares sold in terms of this clause 25 shall be borne by the Company.

25.4 The Company shall be entitled to (i) exercise its rights pursuant to this clause 25 through one or more nominees; and/or (ii) cede to any person all or any part of its rights and/or delegate any of its obligations pursuant to this clause and in respect of a specific Call Event or generally from time to time, and in such instances references in this clause 25 to the Company shall be read mutatis mutandis to be such nominees and/or cessionary.

25.5 Each Shareholder in respect of whom a Call Event arises under clause 25.1 undertakes to the Company not to Dispose of its Shares at any time while such Call Event persists, other than pursuant to an exercise by the Option Holder of the Call Option or with the Company's prior written permission, and agrees that it shall not be entitled to (and shall account on demand to the Company for) any gain or profit made by it from any Disposal made in breach of this undertaking. If the Shareholder in question Disposes of any Shares in breach of this clause 25.5, the Company shall not be required to, and shall not, register any transfer pursuant to such Disposal and payment of any distributions in respect of such Shares shall be suspended, until the matter is resolved to the satisfaction of the Company.

26.  CALCULATION OF THE CALL REFERENCE PRICE

26.1 For the purposes of clause 25, "Call Reference Price" shall mean (a) if the Shares are listed on an Exchange, the 30-Day volume weighted average price ("VWAP") of such shares on the Exchange as at the relevant date on which the Call Reference Price is set, or (b) if the Shares are not listed on an Exchange, the net asset value per Share determined with reference to the most recent audited financial statements of the Company.

28. SHARE CERTIFICATES

28.1. Subject to the provisions of clause 21.2.1, all share certificates issued to Shareholders in respect of Certificated Shares shall:

28.1.1. upon their issue, be endorsed as follows:

“This certificate and the shares represented hereby are transferable only in compliance with the provisions of the memorandum of incorporation (as amended from time to time) of the Company a copy of which is on file with the company secretary of the Company. Restrictions also apply to the transfer of all and any rights in and to the shares and to the granting of any encumbrance over the shares.”

28.1.2. be retained and held by the Custodian. Such share certificates shall only be released if necessary, for the purpose of implementing any transfer permitted in terms of this MOI on the basis that once such transfer is implemented, all share certificates resulting from such transfer are retained and held by the Custodian.

28.2. The Custodian will, at the Company's election, post to each Shareholder such Shareholder's share certificate (if any), at the address nominated by such Shareholder from time to time (or such other address as may be provided for in this MOI), at such Shareholders risk or shall retain such share certificate pending collection thereof by the relevant Shareholder, should the Company determine that such retention poses less risk to the Shareholder as opposed to the posting thereof.

28.3. The terms and conditions under which the Custodian will fulfil its obligations contemplated in this MOI shall be regulated by the relevant agreement governing such services concluded between the Company and the Custodian on terms reasonably available or standard in the market for such services, and such terms shall be binding on the Shareholders to the extent that they relate to them (save that they shall not be liable for the fees of the Custodian).
28.4. Such terms may provide that neither the Custodian nor any of its directors, officers, employees or agents shall be liable to the Shareholders for any indirect, extrinsic, special, penal, punitive, exemplary or consequential loss or damage of any kind whatsoever or howsoever caused, or any loss of value or profit, arising as a result of any act or omission (including any negligent act or omission) on the part of the Custodian (or any of its directors, officers, employees or agents) as regards such Shareholder’s Shares.

28.5. This clause 28 ceases to apply after the Empowerment Period.

33. DISTRIBUTIONS

33.1. In the event that the Company is listed as a REIT, the Company must:

33.1.1. conduct its business in such a way that more than 75% of the Gross Income received by or accrued to the Company in each Year of Assessment will consist of Rental Income;

33.1.2. comply with any applicable requirements for a REIT as set out in the Income Tax Act, the Listing Requirements and any other applicable laws,

provided that if the Company is listed as a property entity (but not a REIT) it shall comply with the applicable provisions of section 13 of the Listing Requirements of the JSE.

33.2. Notwithstanding anything to the contrary in this MOI, the provisions of clause 33.1 can only to be amended by a resolution of the Shareholders approved by 90% (ninety per cent) of the voting rights entitled to be exercised and voting for as long as the REIT regime as contemplated in the Income Tax Act and the Listing Requirements are in existence and apply to the Company.

33.3. Subject to the provisions of the Companies Act, and particularly section 46, the Company may propose a Distribution if such Distribution (in the form of a dividend or otherwise) is:

33.3.1. pursuant to clauses 32.1 and 32.3 or an existing legal obligation of the Company or a court order; or

33.3.2. authorised by resolution of the Board; and

33.3.3. in compliance with the Listing Requirements (if applicable).

33.4. No Distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such Distribution is payable.

33.5. Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

33.6. Distributions shall be paid to Shareholders registered as such as at a record date subsequent to the date of declaration or, if applicable, date of confirmation of the Distribution, whichever is the later date.

33.7. All unclaimed monies due to Shareholders will be held by or on behalf of the Company for the benefit of the Shareholder concerned until claimed, provided that, subject to the JSE Listings Requirements (if applicable), the provisions of the Prescription Act 68 of 1969, as amended from time to time, and any other applicable laws of prescription, monies unclaimed for a period of three years from the date on which they were declared (or such longer period as may be required under the laws of prescription) may be declared forfeited by the Board for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.

33.8. All unclaimed monies due to Shareholders shall be held by or on behalf of the Company for the benefit of the Shareholder concerned until claimed, provided that, subject to the JSE Listings Requirements (if applicable), the provisions of the Prescription Act 68 of 1969, as amended from time to time, and any other applicable laws of prescription, monies unclaimed for a period of three years from the date on which they were declared (or such longer period as may be required under the laws of prescription) may be declared forfeited by the Board for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.

33.9. The Company shall transmit any Distribution or amount payable in respect of a Share by electronic bank transfer to such bank account as the registered holder thereof may have notified the Company in writing for this purpose, and the Company shall not be responsible for any loss in transmission. In the case of joint holders, the bank account of the first named in the Securities Register (or sub register, as the case may be) in respect of such joint holdings, the details of which bank account were furnished to the Company by such Person, and the electronic transfer of the Distribution or amount payable into such bank account shall be a good discharge by the Company in respect thereof. For the purposes of this clause 33.9, no notice of change of bank account or instructions as to payment being made into any other bank account which is received by the Company before the date on which any such forfeiture, be entitled to delegate to any bank, registered as such in accordance with the laws of the Republic, the liability for payment of any such Distribution or other money, payment of which has not been forfeited in terms of the aforesaid.

33.10. The Company shall transmit any Distribution or amount payable in respect of a Share by electronic bank transfer to such bank account as the registered holder thereof may have notified the Company in writing for this purpose, and the Company shall not be responsible for any loss in transmission. In the case of joint holders, the bank account of the first named in the Securities Register (or sub register, as the case may be) in respect of such joint holdings, the details of which bank account were furnished to the Company by such Person, and the electronic transfer of the Distribution or amount payable into such bank account shall be a good discharge by the Company in respect thereof. For the purposes of this clause 33.9, no notice of change of bank account or instructions as to payment being made into any other bank account which is received by the Company after the date on which any such holder must be registered in order to qualify for a Distribution or other amount payable or which would have the effect of changing the currency in which such payment would be made, shall be effective in respect of such payment. A Shareholder who is a South African resident shall only be entitled to supply a Rand denominated bank account of a bank registered to operate such account in the Republic. In the event that a Shareholder has failed to furnish the Company with a valid bank account as envisaged in
this clause 33.9, the Distribution or other amount payable shall be deemed unclaimed Distributions in accordance with clause 33.7.

33.10. The Company shall not be responsible for a Shareholder’s loss arising from any fraudulent, diverted or incorrect electronic funds transfer of Distributions or other amounts payable to a Shareholder unless such loss was due to the Company’s gross negligence or wilful default.

33.11. Without detracting from the ability of the Company to issue capitalisation Shares, any Distribution may be paid wholly or in part:
   33.11.1. by the Distribution of specific assets; and/or
   33.11.2. by the issue of Shares, debentures or Securities of the Company or of any other company; and/or
   33.11.3. in cash; and/or
   33.11.4. in any way which the Directors of the Company in a general meeting may at the time of declaring the Distribution determine.

33.12. Where any difficulty arises in regard to such Distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on Distribution.

33.13. The Directors may:
   33.13.1. determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of Distribution; and
   33.13.2. vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the Distribution as the Directors deem expedient.

33.14. For the avoidance of any doubt, the grant of the right of script dividend and cash dividend elections is not prohibited by any provision contained in this MOI.

33.15. All payments to Shareholders must be provided for in accordance with the Listing Requirements and must not provide that capital shall be repaid upon the basis that it may be called up again.

39. VOTES OF SHAREHOLDERS

39.1. Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this MOI, at a meeting of the Company:
   39.1.1. every person present and entitled to exercise voting rights shall be entitled to one vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;
   39.1.2. on a poll, a person who is present at the meeting, whether as a Shareholder or as a proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with Securities held by that Shareholder; and
   39.1.3. the holders of Shares other than Ordinary Shares (and any special shares created for the purposes of B-BBEE in terms of the B-BBEE Act and the Codes) shall not be entitled to vote on any resolution at a meeting of Shareholders, except as provided in clause 39.2.

39.2. If any resolution is proposed as contemplated in clause 9.2, the holders of such Shares (“Affected Shareholders”) shall be entitled to vote at the meeting of the Ordinary Shareholders as contemplated in clause 39.1, provided that:
   39.2.1. the votes of the Ordinary Shares held by the Affected Shareholders (“Affected Shares”) shall not carry any special rights or privileges and the Affected Shareholder shall be entitled to one vote for every Affected Share held in the event of a polled vote, and in the event that voting takes place by a show of hands, the provisions of clause 39.1.1 shall apply to votes cast by Affected Shareholders; and
   39.2.2. the total voting rights of the Affected Shareholders in respect of the Affected Shares shall not be more than 24,99% of the total votes (including the votes of the remaining Ordinary Shareholders) exercisable at that meeting (with any cumulative fraction of a vote in respect of any Affected Shares held by an Affected Shareholder rounded down to the nearest whole number).

39.3. Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders.

39.4. In the case of an equality of votes, the chairperson of the meeting shall not be entitled to a second or casting vote.
39.5. A poll demanded on the election of a chairperson (as contemplated in clause 36.20) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

39.6. Where there are joint registered holders of any Security, any one of such persons may exercise all of the voting rights attached to that Security at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than one of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the Securities Register in respect of such Security shall alone be entitled to vote in respect thereof.

39.7. The board of any company or controlling body of any entity or person that holds any Securities of the Company may authorise any person to act as its representative at any meeting of the Shareholders of the Company, in which event the following provisions will apply:

39.7.1. the person so authorised may exercise the same powers of the authorising company, entity or person as it could have exercised if it were an individual holder of Securities; and

39.7.2. the authorising company, entity or person shall lodge a resolution of the directors of such company or controlling body of such other entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any Shareholders’ meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairperson of such meeting.

39.8. Subject to the provisions of clause 39.2, the holders of preference shares shall have the right to vote at any general/annual general meeting of the Company:

39.8.1. during any special period, as provided for in clause 39.8.3, during which any dividend, any part of any dividend on such preference shares or any redemption payment thereon remains in arrears and unpaid; and/or

39.8.2. in regard to any resolution proposed for the winding-up of the company or the reduction of its capital;

39.8.3. the period referred to in paragraph 39.8.1 above shall be the period commencing on a day specified in the MOI, not being more than six months after the due date of the dividend or redemption payment in question or, where no due date is specified, after the end of the financial year of the Company in respect of which such dividend accrued or such redemption payment became due.

43. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

43.1. The Board must comprise of a minimum of 4 and a maximum of 7 Directors (which shall include the minimum number of Directors that the Company must have to satisfy the requirement in terms of the Companies Act, to appoint an audit committee and a social and ethics committee, if applicable), to be elected by the Shareholders as contemplated in section 68 of the Companies Act.

43.2. Furthermore:

43.2.1. the majority of the Directors appointed to the Board shall be independent of Barloworld, the Management Trust and the Employee Trust;

43.2.2. at least 80% of the Directors (and their alternate Directors), who shall be entitled to at least 80% of the voting rights of Directors at meetings of the Board, shall be Black Persons;

43.2.3. at least of 25% of the Directors (and their alternate Directors) (who shall be entitled to at least 25% of the voting rights of Directors at meetings of the Board) shall be Black Persons who are women;

43.2.4. the Management Trust shall, for so long as it is a Shareholder, be entitled by written notice to the Company to nominate two Directors (and their alternate Directors);

43.2.5. the Employee Trust shall, for so long as it is a Shareholder, be entitled to nominate one Director (and the alternate Director) for election, each of which Directors must:

43.2.5.1. be a Black Person; and

43.2.5.2. meet the criteria to act as a Director prescribed by law from time to time.

43.3. Subject to clause 43.2, there are no Shareholder appointed or ex officio Directors of the Company, as contemplated in section 66(4) of the Companies Act.
43.4. The manner of electing Directors is as set out in section 68(2) of the Companies Act. All Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 of the Companies Act shall be competent.

43.5. The authority of the Board to fill a vacancy on the Board on a temporary basis, as set out in section 68(3) of the Companies Act is not limited or restricted by this MOI provided that such Directors must be elected by the Shareholders at the next annual general meeting of the Company.

43.6. The Board shall have the power at any time and from time to time to appoint any person as Director, either to fill a casual vacancy or as an addition to the Board.

43.7. In any election of Directors:

43.7.1. the election is to be conducted as a series of votes each of which is on the candidacy of a single individual to fill a single vacancy or to confirm an additional appointment, with the series of votes continuing until all vacancies on the Board have been filled or all additional appointments have been confirmed; and in each vote to fill a vacancy or confirm an additional appointment:

43.7.1.1. each vote entitled to be exercised may be exercised once; and

43.7.1.2. the vacancy is filled or the additional appointment confirmed only if a majority of the votes exercised support the candidate.

43.8. Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.

43.9. A Director shall cease to hold office if:

43.9.1. he becomes insolvent, or assigns his estate for the benefit of his creditors, or suspends payments and files a petition for the sequestration of his affairs, or compounds generally with his creditors;

43.9.2. he becomes of unsound mind;

43.9.3. his employment relationship with the Company is terminated for whatsoever reason, including but not limited to, resignation, retirement, misconduct or otherwise;

43.9.4. he is prohibited from being, is removed as or is disqualified from acting as a Director of a company in terms of the Companies Act;

43.9.5. he is required to do so in terms of the Listing Requirements;

43.9.6. he absents himself from meetings of the Board for six consecutive months without leave of the other Directors and is not represented at such meetings during such six months by an alternate Director, and the Directors resolve that his office shall be vacated, provided that the Directors shall have the power to grant any Director leave of absence for an indefinite period; or

43.9.7. he has given one month’s (or with the permission of the Board, a lesser period) notice in writing of his intention to resign,

43.9.8. he is removed under clause 43.10;

43.9.9. he has been given notice, signed by the Shareholders holding in aggregate more than 50% of the total voting rights of all Shareholders entitled to vote at a general meeting, of the termination of his appointment; or

43.9.10. the Board resolved to remove him in accordance with section 71(3) of the Companies Act.

43.10. The Company may by ordinary resolution in accordance with clause 43.9.8 remove any Director before the expiration of his period of office and by an ordinary resolution elect another person in his stead. The person so elected shall hold office until the next annual general meeting of the Company and shall then retire and be eligible for re-election.

43.11. No Director shall be appointed for life or for an indefinite period and:

43.11.1. the non-executive Directors shall rotate in accordance with the following provisions:

43.11.1.1. at each annual general meeting referred to in clause 36.4, 1/3 (one third) of the non-executive Directors for the time being, or if their number is not three or a multiple of three, the number nearest to 1/3 but not less than 1/3, shall retire from office;
43.11.1.2. the non-executive Directors to retire every year are, firstly those who have been appointed to fill a casual vacancy or an additional appointment to the Board, and secondly those who have been longest in the office since their last election, but as between persons who were elected as non-executive Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. Notwithstanding the aforesaid, if at the date of any annual general meeting, any Director will have:

43.11.1.2.1. held office for a period of three years since his last election or appointment;
43.11.1.2.2. reached the age of 70 years or older; and/or
43.11.1.2.3. held office for an aggregate period of nine years since his first election or appointment,

then such a Director shall retire at such annual general meeting, either as one of the Directors to retire in pursuance to the aforesaid or additionally thereto;

43.11.2. the executive Directors shall rotate in accordance with the following provisions at each annual general meeting referred to in clause 36.4, 1/3 (one third) of the executive Directors for the time being, or if their number is not three or a multiple of three, the number nearest to 1/3 but not less than 1/3, shall retire from office;

43.11.3. a retiring Director may be re-elected, provided he is eligible for election. If elected or re-elected he shall be deemed not to have vacated his office;

43.11.4. a retiring Director shall act as a Director throughout the annual general meeting at which he retires;

43.11.5. the Company, at the annual general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with the provisions of section 60 of the Companies Act as set out in clause 42;

43.11.6. if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this MOI, including clauses 36.13 to 36.16 (inclusive) will apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

43.12. The Board shall through its nominations committee (if so constituted in terms of clause 50), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of the retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director’s past performance and contribution. Any Shareholder shall have the right to nominate Directors.

43.13. The Board has the power to exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1) of the Companies Act, and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 43.

43.14. The Directors may at any time and from time to time by power of attorney appoint any Person or Persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this MOI) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of Persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

43.15. Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferrable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such a manner as the Directors shall from time to time determine.

43.16. All acts performed by the Directors or by a Board committee or by any person acting as a Director or a member of a Board committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such Board committee.
43.17. If the number of Directors falls below the minimum number fixed in accordance with this MOI, the remaining Directors must as soon as possible and in any event not later than three months from the date that the number falls below such minimum, fill the vacancy/ies, provided that such Director/s are elected by the Shareholders at the next annual general meeting or call a general meeting for the purpose of filling the vacancy/ies.

43.18. The failure by the Company to have the minimum number of Directors during the said three month period does not limit or negate the authority of the Board of Directors or invalidate anything done by the Board of Directors while their number is below the minimum number fixed in accordance with this MOI.

43.19. The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the three month period contemplated in clause 43.17, their number remains below the minimum number fixed in accordance with this MOI, they may, for as long as their number is reduced below such minimum, act only for the purpose of:

43.19.1. filling in vacancies in their body in terms of section 68(3) of the Companies Act; or

43.19.2. summoning general meetings of the Company for that purpose, provided that if there is no Director able or willing to act, then any Shareholder may convene a general meeting for that purpose, but not for any other purpose.

43.20. A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

43.21. A Director of the Company may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

43.22. Each Director and each alternate Director, Prescribed Officer and member of any Board committee (whether or not such latter persons are also members of the Board) shall, to the exemptions contained in section 75(2) of the Companies Act and the qualifications contained in section 75(3) of the Companies Act, comply with all the provisions of section 75 of the Companies Act in the event that they (or any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.

43.23. A Director may not vote on any resolution pertaining to any matter in which he has a personal financial interest as contemplated in section 75 of the Companies Act. However, notwithstanding his interest in any matter, such Director may be counted for the purposes of determining a quorum for a Board meeting.

43.24. The Board may authorise the payment of such donations by the Company to such religious, charitable, public or other bodies, clubs, funds, associations or persons as may seem desirable in the interests of the Company, provided that any donations to any political parties or associations shall require prior approval of Shareholders in a general or annual general meeting.

43.25. The Company must establish and maintain a record of its Directors, including all the details about each Director required in terms of and for the periods stipulated in the Companies Act and the Regulations, in a register of Directors.

43.26. No person shall be entitled to serve or act as a Director (including as an alternate Director), or have his name entered in the register of Directors, unless and until that person has been appointed in terms of this clause and has delivered to the Company:

43.26.1. all the details about that person which are required to be included in the register of Directors in terms of the Companies Act and the Regulations;

43.26.2. a written undertaking signed by that person representing and warranting to the Company that he is not and will not be, at the time of his proposed appointment, ineligible or disqualified in terms of the Companies Act or this MOI from being entitled to serve as a Director;

43.26.3. a written undertaking signed by that person undertaking to disclose in writing to the Board any facts, circumstances or events from time to time which might or are likely to result in his being or becoming ineligible or disqualified in terms of the Companies Act or this MOI from being entitled to serve as a Director, within five Business Days of his becoming aware of any such facts, circumstances or events, and indemnifying the Company for any direct or indirect or consequential damages, loss, costs or expenses of whatsoever nature suffered or incurred by the Company at any time arising out of or in connection with a breach of such undertaking or any decision or approval of the Board being reversed;
43.26.4. a written undertaking signed by that person, undertaking to disclose in writing to the Board from time to time any facts, circumstances or events from time to time which might or are likely to result in him or a person related to him, having or acquiring a personal financial interest as contemplated in section 75 within five Business Days of his becoming aware of any such facts, circumstances or events, and indemnifying the Company for any direct or indirect or consequential damages, loss, costs or expenses of whatsoever nature suffered or incurred by the Company at any time arising out of or in connection with a breach of such undertaking or any transaction or agreement approved by the Board being invalid as a result thereof as contemplated in section 75(7) or (8); and

43.26.5. a written statement signed by that person, confirming that he has read and is familiar with the provisions of this MOI and understands that he will in his capacity as a Director be bound by the terms of this MOI in terms of section 15(6) and consenting to serve as a Director.

52. CONSTRUCTIVE NOTICE

The Board shall be responsible for assessing if and when a person should be provided with a copy of a document relating to the Company notwithstanding that such document has been filed or is made available for inspection at an office of the Company, so that such person must be regarded as having received actual knowledge of the contents of the document.

53. COMPANY AND ACCOUNTING RECORDS

All records of the Company contemplated in section 24 of the Companies Act and all accounting records contemplated in section 28 of the Companies Act, shall be kept and maintained, and shall be accessible at or from the registered office of the Company.

61. WINDING UP

61.1. While the Company is:

61.1.1. solvent, the Company may be wound-up in terms of Part G of Chapter 2 of the Companies Act; or

61.1.2. insolvent, the Company may be wound-up as an insolvent company in terms of the applicable laws of insolvency prevailing.

61.2. If the Company is to be wound up, whether voluntarily or otherwise, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall, subject to the sanction of a Special Resolution, be distributed among the Ordinary Shareholders in proportion to the number of Ordinary Shares held by each of them.

61.3. In a winding-up of the Company, any part of the assets of the Company, including any securities of other companies may, with the sanction of a Special Resolution, be paid to the Ordinary Shareholders in specie, or may, with the same sanction, be vested in trustees for the benefit of such Ordinary Shareholders, and the liquidation of the Company may be closed and the Company dissolved.
To the Directors of Khula Sizwe Property Holdings (RF) Limited
61 Katherine Street
Sandton
2146

1 April 2018

Report by the auditor in terms of Regulation 79 of the Companies Act of 2008 of South Africa

SizweNtsalubaGobodo Grant Thornton Inc. (“the auditors” or “we”) are the appointed registered auditors of Khula Sizwe Property Holdings (RF) Limited (the “Company”). We have been advised that the Company intends to issue a prospectus on or about 10 April 2019 (the “prospectus”), on an invitation to the black public to apply to Khula Sizwe Property Holdings (RF) Limited ordinary shares. For that purpose Regulation 79 of the Companies Act 71 of 2008 of South Africa (the “Act”) requires a report by the auditor of the Company to be issued in relation to the annual financial statements of the company.

Khula Sizwe Property Holdings (RF) Limited has not completed its first financial year since incorporation nor has the company produced annual financial statements before the issue of the prospectus and consequently historical information for the company is not available.

Restriction on use and distribution

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and its not to be used for any other purpose or to be distributed to any other parties.

Yours faithfully

Collins Mashishi

Director
Registered Auditor
01 April 2019

SizweNtsalubaGobodo Grant Thornton
Director: Collins Mashishi
Registered auditor
Woodmead
South Africa
INTRODUCTION

The pro forma financial information of Khula Sizwe Property Holdings (RF) Limited as at and for the years ended 30 September 2020 and 2021, which should be read together with the Independent Registered Auditors’ report hereon in Annexure 3 to this Prospectus, are set out below. The pro forma income statement and statements of financial position and cash flows are presented for illustrative purposes only and because of their pro forma nature, may not fairly present Khula Sizwe Property Holdings (RF) Limited’s financial position, changes in equity, results of operations or cash flow, going forward.

The pro forma financial information is the responsibility of the Directors and has been prepared using accounting principles that are consistent with IFRS as fully explained in the accounting policies below. The pro forma financial effects are presented in accordance the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants.

ASSUMPTIONS APPLIED IN THE PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

Revenue

Khula Sizwe Property Holdings (RF) Limited will lease the Properties to Barloworld subsidiaries for R278 million (rental revenue) in the first year of operations (effective 1 October 2019), as determined by the Independent Property Valuer, after which the rental revenue will escalate by 8% per annum over the initial lease period.

Finance costs and interest-bearing liabilities

Khula Sizwe Property Holdings (RF) Limited’s purchase of the Properties will be funded 20% equity and 80% external debt. The equity will be contributed by Barloworld through the Employee Trust and the Management Trust, together with the Senior Managers own equity contribution, and the Black Public Scheme totalling R545 million as detailed in this prospectus and assuming the public offer is fully subscribed. An External Loan of R2.2 billion has been recognised in the condensed statement of financial position and the finance costs in the condensed income statement of R209 million have been recognised based on an assumed interest rate of 9.59% over 10 years. It is assumed the External Loan will be repaid as interest only in the first year, then increasing to include a portion of capital repayments over the next nine years with a balloon repayment in the final year of the External Loan. Barloworld will guarantee the lease payments of the Lessees for the full term of the initial lease period in terms of the Barloworld Lease Guarantee. The terms of the funding assumed for the purposes of the pro forma financial statements are based on the terms agreed with the External Funder to Khula Sizwe Property Holdings (RF) Limited. Note that 50% of the interest rate is fixed with 50% of the rate subject to fluctuations in the applicable JIBAR rate.

Independent Property Valuation

The valuation of the investment properties was performed by Roger Hunting, MRICS Dip T.P. MIV(SA), Professional Valuer, No. 115 – (Registered without restriction in terms of the Property Valuers Act. No 47 of 2000) as at 31 August 2018. For the purposes of the pro forma financial information no revaluation adjustments on the investment properties have been assumed subsequent to the initial purchase of the Properties from Barloworld.

Cash flows

It has been assumed that all transactions reflected in the condensed income statement of Khula Sizwe Property Holdings (RF) Limited have been settled in cash during the reporting period (with the exception of the rental income accrual and revaluation gains and losses).

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The pro forma financial information has been prepared on a going concern basis in accordance with IFRS as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa. The historical cost convention is used except for investment properties that are measured at fair value, as explained in the accounting policies that follow. The presentation currency in the financial statements is Rand/R. All financial information has been rounded to the nearest R million unless stated otherwise.
1.2 Rental revenue

Revenue is measured at the fair value of the consideration of the amount received or receivable. Cash and settlement discounts, rebates, VAT and other indirect taxes are excluded from revenue.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease or another basis if more representative of the time pattern of the user's benefit. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the term of the lease.

1.3 Investment properties

Investment properties are held to earn rental income and/or for capital appreciation. At initial recognition, investment properties are measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

1.4 Interest-bearing borrowings

Borrowings are recognised initially at fair value and are subsequently stated at amortised cost.

Finance costs include all borrowing costs incurred on borrowing instruments. Borrowing costs, other than borrowing costs capitalised, are recognised in the income statement in the period in which they are incurred.

1.5 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including pre-payments, made under operating leases (net of any incentives received from the lessor) are charged to income statement on a straight-line basis over the period of the lease.

Properties leased out under operating leases are included in investment properties. See Note 1.3 for the accounting policy on investment property.

CONDENSED INCOME STATEMENT
for the 12 months ended 30 September 2021

<table>
<thead>
<tr>
<th>Note</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rm</td>
<td>Rm</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1</td>
<td>403</td>
</tr>
<tr>
<td>Operating profit before items listed below (EBITDA)</td>
<td>403</td>
<td>403</td>
</tr>
<tr>
<td>Finance costs</td>
<td>2</td>
<td>(209)</td>
</tr>
<tr>
<td><strong>Profit before non-operating and capital items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-operating and capital items</td>
<td>3</td>
<td>194</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>4</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of Khula Sizwe Property Holdings (RF) Limited</td>
<td>168</td>
<td>317</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– basic</td>
<td></td>
<td>310.3</td>
</tr>
<tr>
<td>– diluted</td>
<td></td>
<td>310.3</td>
</tr>
<tr>
<td><strong>HEPS per share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– basic</td>
<td></td>
<td>310.3</td>
</tr>
<tr>
<td>– diluted</td>
<td></td>
<td>310.3</td>
</tr>
<tr>
<td><strong>Headline earnings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>168</td>
<td>317</td>
</tr>
<tr>
<td>Adjusted for the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurements excluded from headline earnings</td>
<td>–</td>
<td>143</td>
</tr>
<tr>
<td>Fair value measurement of Investment Property (IAS 40)</td>
<td>–</td>
<td>143</td>
</tr>
<tr>
<td><strong>Headline earnings</strong></td>
<td>168</td>
<td>174</td>
</tr>
</tbody>
</table>
## CONDENSED BALANCE SHEET

as at 30 September 2021

<table>
<thead>
<tr>
<th>Note</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rm</td>
<td>Rm</td>
</tr>
</tbody>
</table>

### ASSETS

**Non-current assets**

<table>
<thead>
<tr>
<th></th>
<th>2 859</th>
<th>2 859</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investment Property</strong></td>
<td>5</td>
<td>2 859</td>
</tr>
</tbody>
</table>

**Current assets**

<table>
<thead>
<tr>
<th></th>
<th>327</th>
<th>177</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>100</td>
<td>52</td>
</tr>
<tr>
<td><strong>Straight-line rental income accrual</strong></td>
<td>6</td>
<td>227</td>
</tr>
</tbody>
</table>

**Total assets**

<table>
<thead>
<tr>
<th></th>
<th>3 186</th>
<th>3 036</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### EQUITY AND LIABILITIES

**Capital and reserves**

<table>
<thead>
<tr>
<th></th>
<th>545</th>
<th>545</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Share capital and premium</strong></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td><strong>Retained income</strong></td>
<td>485</td>
<td>317</td>
</tr>
</tbody>
</table>

**Interest of shareholders of Khula Sizwe Property Holdings (RF) Limited**

<table>
<thead>
<tr>
<th></th>
<th>1 030</th>
<th>862</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minority interest</strong></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Interest of all shareholders**

<table>
<thead>
<tr>
<th></th>
<th>1 030</th>
<th>862</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>1 911</td>
<td>1 947</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>245</td>
<td>227</td>
</tr>
</tbody>
</table>

**Total equity and liabilities**

<table>
<thead>
<tr>
<th></th>
<th>3 186</th>
<th>3 036</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Net asset value per share (cents)**

<table>
<thead>
<tr>
<th></th>
<th>1 891</th>
<th>1 582</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tangible net asset value per share (cents)**

<table>
<thead>
<tr>
<th></th>
<th>1 891</th>
<th>1 582</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total number of ordinary shares in issue (000)**

<table>
<thead>
<tr>
<th></th>
<th>54 469</th>
<th>54 469</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## CONDENSED CASH FLOW STATEMENT

as at 30 September 2021

<table>
<thead>
<tr>
<th>Note</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rm</td>
<td>Rm</td>
</tr>
</tbody>
</table>

### Cash flows from operating activities

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts from customers</strong></td>
<td>301</td>
<td>278</td>
</tr>
<tr>
<td><strong>Finance costs paid</strong></td>
<td>(208)</td>
<td>(209)</td>
</tr>
<tr>
<td><strong>Taxation paid</strong></td>
<td>(26)</td>
<td>(19)</td>
</tr>
</tbody>
</table>

### Cash flows from investing activities

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquisition of investment properties</strong></td>
<td>–</td>
<td>(2 716)</td>
</tr>
<tr>
<td><strong>Proceeds on sale of shares</strong></td>
<td>–</td>
<td>545</td>
</tr>
</tbody>
</table>

### Cash flows from financing activities

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest-bearing borrowings raised</strong></td>
<td>–</td>
<td>2 183</td>
</tr>
<tr>
<td><strong>Repayment of interest-bearing borrowings</strong></td>
<td>(19)</td>
<td>(10)</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
<td>52</td>
<td>–</td>
</tr>
</tbody>
</table>

**Cash and cash equivalents at end of year**

<table>
<thead>
<tr>
<th></th>
<th>100</th>
<th>52</th>
</tr>
</thead>
</table>
## NOTES TO THE CONDENSED ANNUAL FINANCIAL STATEMENTS
for the year ended 30 September 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rm</td>
<td>Rm</td>
</tr>
<tr>
<td><strong>1 REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual rental income</td>
<td>301</td>
<td>278</td>
</tr>
<tr>
<td>Straight-line rental income accrual</td>
<td>102</td>
<td>125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>403</td>
<td>403</td>
</tr>
<tr>
<td><strong>2 FINANCE COSTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>209</td>
<td>210</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>209</td>
<td>210</td>
</tr>
<tr>
<td><strong>3 NON-OPERATING AND CAPITAL ITEMS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of investment property</td>
<td>–</td>
<td>143</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>–</td>
<td>143</td>
</tr>
<tr>
<td><strong>4 TAXATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South African normal taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td><strong>Reconciliation of rate of taxation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South African normal taxation rate (%)</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Exempt income</td>
<td>(58)</td>
<td>(45)</td>
</tr>
<tr>
<td>Taxable rental income</td>
<td>43</td>
<td>23</td>
</tr>
<tr>
<td><strong>Taxation as a percentage of profit before tax</strong></td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td><strong>5 INVESTMENT PROPERTY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening fair value as at 1 October 2020</td>
<td>2 859</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Revaluation surplus</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td>2 859</td>
<td></td>
</tr>
<tr>
<td>The fair value of the above properties as at 30 September 2021 is R2 859 million.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fair value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening fair value as at 1 October 2019</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>2 716</td>
<td></td>
</tr>
<tr>
<td>Revaluation surplus</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td>2 859</td>
<td></td>
</tr>
<tr>
<td>The fair value of the above properties as at 30 September 2020 is R2 859 million.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The valuation of the investment properties was performed by Roger Hunting, MRICS Dip T.P. MIV(SA), Professional Valuer, No. 115 – (Registered without restriction in terms of the Property Valuers Act, No 47 of 2000) as at 31 August 2018. Note that for the purposes of the pro forma financial information no revaluation adjustments have been assumed.

The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. The calculation of the fair values of the properties was based on the income approach method in which the estimated net annual rent for the forward period of 12 months is capitalised at an appropriate rate of interest to reflect the perceived risk in the investment. The average capitalisation rate applied in determining the properties fair value is 9.4%. 

---

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### 6 STRAIGHT-LINE RENTAL INCOME ACCRUAL

<table>
<thead>
<tr>
<th></th>
<th>2021 Rm</th>
<th>2020 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>125</td>
<td>–</td>
</tr>
<tr>
<td>Arising during the year</td>
<td>102</td>
<td>125</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td><strong>227</strong></td>
<td><strong>125</strong></td>
</tr>
</tbody>
</table>

### 7 INTEREST-BEARING LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2021 Rm</th>
<th>2020 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total long-term borrowings</td>
<td>2 156</td>
<td>2 174</td>
</tr>
<tr>
<td>Less: Current portion redeemable and repayable within one year</td>
<td>(245)</td>
<td>(227)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 911</strong></td>
<td><strong>1 947</strong></td>
</tr>
</tbody>
</table>

The interest rate on the loan is 50% fixed and 50% floating based on the applicable JIBAR. The rate is assumed to be 9.59%. The loan is secured by the properties that are purchased from Barloworld. The loan is repayable over 10 years with a final instalment of R900 million.

### 8 AUTHORISED SHARE CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>2021 Rm</th>
<th>2020 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 000 0000 0000 (2020: 1 000 0000 0000) Ordinary no par shares</td>
<td>10 000</td>
<td>10 000</td>
</tr>
<tr>
<td>Issued share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>54 469 000 (2020: 54 469 000) Ordinary no par shares</td>
<td>545</td>
<td>545</td>
</tr>
<tr>
<td><strong>Total issued share capital and premium</strong></td>
<td><strong>545</strong></td>
<td><strong>545</strong></td>
</tr>
<tr>
<td>Issued shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of ordinary shares in issue at end of year</td>
<td>54 469 000</td>
<td>54 469 000</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net number of ordinary shares in issue at end of year</strong></td>
<td><strong>54 469 000</strong></td>
<td><strong>54 469 000</strong></td>
</tr>
</tbody>
</table>

### 9 AMOUNTS DUE TO BANKERS AND SHORT-TERM LOANS

<table>
<thead>
<tr>
<th></th>
<th>2021 Rm</th>
<th>2020 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long-term borrowings (Note 6)</td>
<td>245</td>
<td>227</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>245</strong></td>
<td><strong>227</strong></td>
</tr>
</tbody>
</table>

### 10 RELATED PARTIES

All the revenue of Khula Sizwe Property Holdings (RF) Limited is generated from subsidiaries and joint ventures of Barloworld Limited.
To the Directors of Khula Sizwe Property Holdings (RF) Limited

Report on the Compilation of Pro Forma Financial Information included in a Prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Khula Sizwe Property Holdings (RF) Limited (the company) by the directors of the company. The pro forma financial information consisting of the day 1 balance sheet at 1 Oct 2019 (set out in paragraph 11.3.3 of Section 1 of the prospectus issued by the company) and the balance sheet as at 30 Sept 2020 and 2021, the pro forma income statement for the period ending 30 September 2020 and 30 September 2021, the pro forma cash flow statement for the period ending 30 September 2020 and 30 September 2021 as set out in Annexure 4 of the prospectus issued by the company. The applicable criteria on the basis of which directors have compiled the pro forma financial information are the accounting principles that are consistent with International Financial Reporting Standards as fully explained in the accounting policies per the pro forma financial information as per the prospectus. The pro forma financial effects are presented in accordance the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants.

Director's Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information of Khula Sizwe Property Holdings (RF) Limited in accordance with the accounting principles that are consistent with International Financial Reporting Standards as fully explained in the accounting policies per the pro forma financial information included in the prospectus and in accordance with the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

Practitioner’s Responsibilities

Our responsibility is to express an opinion in accordance with the accounting principles that are consistent with International Financial Reporting Standards about whether the pro forma financial information has been compiled, in all material respects, by directors on the basis of the accounting principles that are consistent with International Financial Reporting Standards.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires the practitioner to plan and perform procedures to obtain reasonable assurance about whether directors have complied, in all material respects, the pro forma financial information on the basis of the accounting principles that are consistent with International Financial Reporting Standards.

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.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaking at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at day 1 balance sheet at 1 Oct 2019 and the balance sheet as at 30 Sept 2020 and 2021 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 by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to event or transaction, 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 proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The 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 properly compiled on the basis stated.

Collins Mashishi

Director
Registered Auditor
01 April 2019

SizweNtsalubaGobodo Grant Thornton
20 Morris Street East,
Woodmead,
2191
For purposes of this Annexure 6, the capitalised terms have the same meanings ascribed to such term in the relevant Material Contracts summarised herein below.

**Material Contracts**

<table>
<thead>
<tr>
<th>Contract</th>
<th>Parties</th>
<th>Date</th>
<th>Nature and salient terms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Framework Agreement</strong> (this agreement is summarised in further detail below)</td>
<td>Khula Sizwe; Barloworld; Barloworld SA; Barloworld Logistics; The Management Trust; The Employee Trust; The Foundation</td>
<td>16 November 2018, as amended by the Amendment Agreement dated 1 April 2019</td>
<td>The Framework Agreement records the terms of, and governs, the B-BBEE Transaction. It serves as the overarching agreement setting out the salient terms of the discrete transactions comprising the B-BBEE Transaction as well as the general terms which are applicable to each individual transaction.</td>
</tr>
<tr>
<td><strong>The Property Sale Agreement</strong></td>
<td>Khula Sizwe; Barloworld</td>
<td>16 November 2018, as amended by the Amendment Agreement dated 1 April 2019</td>
<td>The Property Sale Agreement regulates the sale of the Properties by Barloworld to Khula Sizwe. The sale of the Properties in terms of the Property Sale Agreement is intended to be a Qualifying Transaction in terms of Statement 102 of the BEE Codes, which would entitle Barloworld to score ownership points on its BEE scorecard.</td>
</tr>
<tr>
<td><strong>The Property Lease Agreements including the Barloworld Lease Guarantee</strong></td>
<td>Khula Sizwe; Barloworld; Barloworld Limited; Barloworld SA; Barloworld Logistics</td>
<td>16 November 2018, as amended by the Amendment Agreement dated 1 April 2019</td>
<td>Barloworld will lease the Properties to the Lessees on a Triple Net Basis – the Lessees will be responsible for the operating costs of the Properties. Barloworld undertakes to provide Khula Sizwe with security for the rental obligations of the Lessees under the Property Lease Agreements.</td>
</tr>
<tr>
<td><strong>Khula Sizwe Subscription Agreement</strong></td>
<td>Khula Sizwe; Barloworld</td>
<td>16 November 2018</td>
<td>The Khula Sizwe Subscription Agreement regulates the terms upon which Barloworld will allot and issue Shares to Khula Sizwe from time to time.</td>
</tr>
<tr>
<td><strong>External Loan Agreement</strong></td>
<td></td>
<td></td>
<td>This agreement regulates the terms of which the External Funder provides loan funding to Khula Sizwe for purposes of enable Khula Sizwe to pay a portion of the Acquisition Consideration under the Property Sale Agreement.</td>
</tr>
<tr>
<td><strong>Employee Trust Subscription Agreement</strong></td>
<td>The Employee Trust (as subscriber); Khula Sizwe (as issuer)</td>
<td>16 November 2018, as amended by the Amendment Agreement dated 1 April 2019</td>
<td>The Employee Trust Subscription Agreement regulates the terms upon which the Employee Trust will subscribe for, and the terms upon which Khula Sizwe will allot and issue, Khula Sizwe Shares to the Employee Trust.</td>
</tr>
<tr>
<td><strong>Management Trust Subscription Agreement</strong></td>
<td>The Management Trust (as subscriber); Khula Sizwe (as issuer)</td>
<td>16 November 2018, as amended by the Amendment Agreement dated 1 April 2019</td>
<td>The Management Trust Subscription Agreement regulates the terms upon which the Management Trust will subscribe for, and the terms upon which Khula Sizwe will allot and issue, Khula Sizwe Shares to the Management Trust.</td>
</tr>
<tr>
<td><strong>Khula Sizwe MOI</strong></td>
<td>Khula Sizwe; The directors of Khula Sizwe from time to time; The shareholders of Khula Sizwe from time to time</td>
<td>16 November 2018</td>
<td>Khula Sizwe's memorandum of incorporation is its constitution. As Khula Sizwe's powers are intended to be limited, the Khula Sizwe MOI contains restrictive conditions, certain of which are in favour of Barloworld, and which are intended to ensure Khula Sizwe remains a Black Company.</td>
</tr>
<tr>
<td><strong>Amendment Agreement</strong></td>
<td>Barloworld Limited; Barloworld SA; Barloworld Logistics; Khula Sizwe; the Employee Trust; the Management Trust; and the Foundation</td>
<td>1 April 2019</td>
<td>The Amendment Agreement regulates the amendments made to the properties being sold in terms of the Transaction Agreement, including the deletion and addition of certain properties and the adjustment to the purchase price, rentals and equity contributions as a consequence thereof.</td>
</tr>
</tbody>
</table>
1. **FRAMEWORK AGREEMENT**

1.1 The Framework Agreement is entered into between Barloworld, Barloworld South Africa, Barloworld Logistics, Khula Sizwe, the Employee Trust, the Management Trust and the Foundation.

1.2 The Framework Agreement sets out the principles to, the terms and conditions of, and the manner in which, the B-BBEE Transaction will be implemented by the parties thereto.

1.3 The B-BBEE Transaction will be implemented on the Implementation Date, which is intended to be on 1 October 2019 (but shall be no later than 1 October 2020). The Framework Agreement is subject to fulfilment of certain Conditions Precedent.

1.4 The salient terms of the Framework Agreement, as more fully set out in paragraph 2 of this Circular, include:

1.4.1 **The implementation of the Barloworld Internal Restructure:**

1.4.1.1 Prior to the implementation of the B-BBEE Transaction, Barloworld will acquire ownership of the Properties (including any leases related thereto) not already owned by it from the respective Barloworld Group Companies (other than Barloworld) who are the owners of such Properties; and

1.4.1.2 Barloworld (as lessor) will conclude the Property Lease Agreements with each of Barloworld South Africa and Barloworld Logistics (as lessees).

1.4.2 **Khula Sizwe**

1.4.2.1 Khula Sizwe will acquire the Properties as a Qualifying Transaction involving the sale of an asset or business under Statement 102 of the BEE Codes;

1.4.2.2 Khula Sizwe is constituted as a Black Company, and shall remain a Black Company for the duration of the Empowerment Period (being the period commencing on the Implementation Date and terminating on the 15th anniversary thereof) and accordingly, for the duration of the Empowerment Period, its shareholders shall be limited to Black People and Black Groups;

1.4.2.3 Khula Sizwe shall fund the Acquisition Consideration by way of an External Loan and from subscription proceeds (to a maximum of 30%). Barloworld shall support Khula Sizwe in securing the External Loan by guaranteeing Barloworld South Africa and Barloworld Logistics’ rental obligations under the Property Lease Agreements;

1.4.2.4 Khula Sizwe shall secure equity funding from its shareholders (who shall all be Black Entities), namely: (i) the Management Trust (38% interest in Khula Sizwe), (ii) the Employee Trust (32% interest in Khula Sizwe) and (iii) the Black Public (30% interest in Khula Sizwe);

1.4.2.5 The Khula Sizwe MOI contains restrictive conditions, inter alia, obliging Khula Sizwe to remain a Black Company for the duration of the Empowerment Period (which conditions cannot be amended without the prior consent of Barloworld). In this regard, for a period commencing on the Implementation Date and ending on the 5th anniversary thereof (the Lock-In Period), the Khula Sizwe Shares shall not be transferable. Thereafter, until the expiry of the Empowerment Period, the Khula Sizwe Shares shall only (subject to certain specific exceptions applicable only to non-Black beneficiaries of the Management Trust and the Employee Trust, and their heirs, if applicable) be tradable between Black People and Black Groups. To support the liquidity of the Khula Sizwe Shares after the expiry of the Lock-In Period, Khula Sizwe shall investigate the feasibility of listing its shares on the B-BBEE Segment;

1.4.2.6 In addition, in terms of the Framework Agreement and the Khula Sizwe MOI, Khula Sizwe provides, inter alia, the following undertakings to Barloworld:

1.4.2.6.1 not to dispose of or encumber the Properties acquired pursuant to the Property Sale Agreement (other than as contemplated in the Transaction Agreements), except pursuant to a special resolution;

1.4.2.6.2 not to dispose of any of the Barloworld Shares held by it at any time during the Empowerment Period, save as permitted or required under any of the Transaction Agreements or with the written consent of Barloworld;

1.4.2.6.3 do all things necessary in order to ensure that (i) the Property Sale Agreement and the Property Lease Agreements will at all times be consistent with Statement 102 of the BEE Codes, (ii) the business of Khula Sizwe will be conducted in a manner that conforms with Statement 102 of the BEE Codes, and (iii) the benefit to which
Barloworld will be entitled under Statement 102 of the BEE Codes will not diminish over the Empowerment Period;

1.4.2.6.4 ensure that its BEE shareholding remains the same or improves over the 3 year period from the date of transfer of the last of the Properties to Khula Sizwe pursuant to the Property Sale Agreement;

1.4.2.6.5 be a Black Company on the Implementation Date and thereafter for the duration of the Empowerment Period;

1.4.2.6.6 (save for the limited exceptions permitted in the Khula Sizwe MOI) ensure that 100% of all of the voting rights in Khula Sizwe will be exercisable, directly or indirectly by Black People and Black Groups;

1.4.2.6.7 ensure that its shareholders remain Black People or Black Groups. In this regard, the Khula Sizwe MOI grants Khula Sizwe the irrevocable right (and not obligation) to repurchase Khula Sizwe Shares held by any shareholder who is no longer a Black Entity or whose BEE Status reduces from the Implementation Date, such shares to be repurchased at a 50% discount to the market value thereof; and

1.4.2.6.8 utilise all of its available cash flows (after settling all tax, budgeted operational expenditure, servicing its debt obligations and other costs) to acquire Barloworld Shares on the terms set out in the Khula Sizwe Subscription Agreement. As Khula Sizwe is a Black Company, this will further contribute towards and increase the ownership of Barloworld by Black People;

1.4.2.7 The Management Trust is entitled to appoint 2 directors (1 of whom can be appointed by Barloworld in terms of the Management Trust Loan Agreement) and the Employee Trust is entitled to appoint 1 director to the board of Khula Sizwe. The Management Trust has the right to appoint a Barloworld nominee to the Khula Sizwe board for as long as the Management Trust Loan is outstanding.

1.4.3 Sale of the Properties to Khula Sizwe

1.4.3.1 Subsequent to the Barloworld Internal Restructure and with effect from the Implementation Date or actual date of transfer of the Properties, Barloworld will dispose of the Properties to Khula Sizwe, and Barloworld's rights and obligations in and to the Property Lease Agreements will assign to Khula Sizwe, and consequently the Properties will be transferred to Khula Sizwe as going concerns;

1.4.3.2 The Properties will be disposed of on the terms set out in the Property Sale Agreement;

1.4.3.3 In compliance with Statement 102, Khula Sizwe shall not dispose of the Properties for a period of at least 3 years after the Implementation Date, however, it shall be entitled to lease the Properties to any person (including parties other than the Barloworld Group Companies), subject always to the Property Lease Agreements;

1.4.3.4 In the event that Khula Sizwe decides (in its sole discretion) to dispose of any Property, it shall first offer such Property to Barloworld at fair market value;

1.4.3.5 Khula Sizwe shall be afforded the opportunity to make proposals to the Barloworld Group Companies in respect of the Barloworld Group’s property requirements;

1.4.4 Lease of the Properties by Khula Sizwe

1.4.4.1 Khula Sizwe shall lease the Properties to Barloworld South Africa and Barloworld Logistics on a Triple Net Basis and on the terms set out in the Property Lease Agreements, pursuant to the transfer of the Property Lease Agreements to Khula Sizwe by operation of law as a result of the sale of the Properties by Barloworld to Khula Sizwe;

1.4.4.2 Barloworld shall provide the Barloworld Lease Guarantee to secure Barloworld South Africa’s and Barloworld Logistics’ rental obligations under the Property Lease Agreements;

1.4.5 Management Trust and Employee Trust acquiring Khula Sizwe Shares

1.4.5.1 The Employee Trust and the Management Trust are established by Barloworld in terms of the Employee Trust Deed and the Management Trust Deed, respectively, for the benefit of the Employees and Management of the Barloworld Group (respectively) and each complies with Annexe 100(B) and Annexe 100(D) of the BEE Codes. Accordingly, the Employee Trust and the Management Trust’s
shareholding in Khula Sizwe will contribute towards the ownership of Khula Sizwe by Black People and Black Groups;

1.4.5.2 The Employee Trust and the Management Trust shall distribute one third of the net Khula Sizwe Shares they hold (after allowances for any liabilities they have respectively, such as the Management Trust Loan) to their beneficiaries after the expiry of the Lock-in Period, and on each anniversary thereafter, on the basis set out in the relevant trust deed;

1.4.5.3 Any beneficiary of the Employee Trust who ceases to be employed by a Barloworld Group Company within a period of 2 years from the Implementation Date or any beneficiary of the Management Trust who ceases to be employed by a Barloworld Group Company within a period of 5 years from the Implementation Date due to resignation or termination of employment due to misconduct (as contemplated by the Labour Relations Act) will have their allocations of beneficial interests in the Employee Trust or Management Trust (as applicable), cancelled on the basis more fully set out in the relevant trust deed;

1.4.5.4 Barloworld will facilitate the participation of the Employees in the B-BBEE Transaction by the provision of a capital contribution to the Employee Trust in terms of the Employee Trust Contribution Agreement, to enable the Employee Trust to pay the subscription price in respect of its subscription of Khula Sizwe Shares equating to approximately 32% of Khula Sizwe’s issued share capital; and

1.4.5.5 Barloworld will facilitate the participation of the Management in the B-BBEE Transaction by the advance of an interest-free loan to the Management Trust in terms of the Management Trust Loan Agreement, to enable the Management Trust to pay the subscription price in respect of its subscription of Khula Sizwe Shares equating to approximately 32% (or up to 68%, if the Public Offer is wholly or partially unsuccessful) of Khula Sizwe’s issued share capital. The loan funding so provided will ultimately be for the full subscription price, less the 5% capital contributions required to be made by Senior Management against award of a vested beneficial interest in the Management Trust. All distributions by the Management Trust from the Khula Sizwe Shares it holds shall initially be used to reduce (and settle) the amount outstanding under the Management Trust Loan.

1.4.6 Black Public acquiring Khula Sizwe Shares

1.4.6.1 Khula Sizwe shall offer 30% of its issued share capital to the Black Public by way of the Public Offer. In this regard, Khula Sizwe shall ensure that it issues a prospectus to the public as soon as reasonably possible after the B-BBEE Transaction becomes unconditional. The Black Khula Sizwe shareholders shall be subject to verification of their BEE Status, as set out in the Khula Sizwe MOI;

1.4.6.2 In terms of the Framework Agreement, Khula Sizwe will abandon the Public Offer if the Black Public does not subscribe for Khula Sizwe Shares the aggregate subscription price of which exceeds the Minimum Subscription Amount. In this event, or to the extent that the Khula Sizwe Shares are not subscribed for pursuant to the Public Offer, the Management Trust will take up such Khula Sizwe Shares and the Management Trust Loan shall be increased accordingly. Such shares shall be taken up for the benefit of Junior Managers only, resulting in the Management Trust holding up to a maximum of 68% of the entire issued share capital of Khula Sizwe; and

1.4.6.3 The Black Public shareholders of Khula Sizwe (as are the Management Trust and the Employee Trust) are subject to the restrictions set out in the Khula Sizwe MOI in respect of being, and remaining, Black Entities for the duration of the Empowerment Period.

2. SALE OF PROPERTIES AGREEMENT

2.1 Sale

2.1.1 Barloworld and Khula Sizwe have entered into the Property Sale Agreement in terms whereof Barloworld has agreed to sell a portion of its Group’s South African property portfolio (subject to the Lease, which it will assign to Khula Sizwe by operation of law pursuant to the Sale) to Khula Sizwe for the Acquisition Consideration.

2.1.2 The Property Sale Agreement shall come into effect on the date on which all the conditions precedent set out in the Framework Agreement are fulfilled or waived (“Effective Date”).

2.2 Payment of the Acquisition Consideration

2.2.1 The Acquisition Consideration is payable in cash and secured, to the satisfaction of the conveyancers, by one or more written guarantees in respect of one or more Properties individually or in groups in order to permit registration of transfer to proceed in respect of those Properties separately from other Properties, in a form and
Khula Sizwe is required to present the aforesaid guarantees to the conveyancers within 40 Business Days of receipt of a written request to that effect from the conveyancers.

2.2.2 Any amounts payable by Khula Sizwe and unpaid on the due date shall bear interest at the rate of 2% above the Prime Rate (as defined) calculated from the due date of payment to the actual date of payment (both days inclusive).

2.2.3 The Acquisition Consideration is inclusive of VAT at zero percent, and to the extent that the sale is subject to VAT at a rate higher than zero, the VAT shall be paid by Khula Sizwe.

2.3 Transfer of the Properties

2.3.1 Conditions to Transfer

2.3.1.1 The sold Property/ies shall not be transferred to Khula Sizwe unless the following conditions are satisfied, in form and substance satisfactory to Barloword:

2.3.1.1.1 the Implementation Date has occurred;

2.3.1.1.2 payment by Khula Sizwe of all such amounts as are required to be paid by Khula Sizwe under the Property Sale Agreement, or such payment having been secured to the satisfaction of Barloword;

2.3.1.1.3 a registered bank granting in writing on its normal terms and conditions a loan to be secured by a mortgage bond or mortgage bonds over the Property in an amount required by such registered bank by no later than the 60th day following the Effective Date (or such later date as may be permitted by Barloword) which mortgage bonds are to be registered simultaneously with transfer;

2.3.1.1.4 if so required in respect of a Property, approval of transfer thereof by any relevant authority or person; and

2.3.1.1.5 the completion of the Barloword Internal Restructure in respect of the Property in question, if applicable.

2.4 Transfer of the Property

2.4.1 The conveyancers shall attend to the transfer of the Properties after the Effective Date and as close as possible to the Implementation Date, provided that Khula Sizwe has complied with all of its obligations. The conveyancers are required to ensure that the Transfer Date shall not occur prior to the Implementation Date. For purposes of the Property Sale Agreement, the term “Transfer Date” is defined as the date on which the registration of the transfer of a Property into the name of the Purchaser takes place in the relevant Deeds Registry, which date shall not be earlier than the Implementation Date.

2.4.2 Barloword and Khula Sizwe, respectively, have undertaken to sign all documents and do all things necessary to procure transfer of each Property as expeditiously as possible.

2.5 Possession, Occupation and Risk

Khula Sizwe will be given possession and occupation, subject to any Property Lease Agreements, of the Property on the Transfer Date from which date all risks and benefits of ownership of the Property and Rental Enterprise in question shall pass to Khula Sizwe.

2.6 Existing Lease Arrangements

2.6.1 The Properties are sold subject to the Property Lease Agreements.

2.6.2 Barloword has warranted that as at the relevant Transfer Date, the Property Lease Agreements shall have been entered into as between Barloword and the Lessees in respect of the Properties.

2.7 Alterations, Additions, Repairs and Improvements

Khula Sizwe is not entitled to effect any alterations, additions, repairs or improvements to the Property (and the Rental Enterprise) prior to the Transfer Date without the prior written consent of Barloword.

2.8 Warranties and indemnities

The Property Sale Agreement contains warranties normal for a transaction of this nature including, without limitation, a warranty by Barloword to Khula Sizwe that:
2.8.1 Barloworld is or will be the sole beneficial owner of each Property (and the related Rental Enterprise) and will be entitled and able to give free and unencumbered title thereof to Khula Sizwe on the Transfer Date;

2.8.2 the Properties are not subject to any undisclosed lien, pledge, bond, option or any other encumbrance in favour of a third party, save in respect of certain Properties set out in Schedule 1 to the Property Sale Agreement which are/were, at signature date, subject to financing arrangements and encumbrances (in respect of which Barloworld has undertaken to procure that such encumbrances are released as part of the Barloworld Internal Restructure).

2.9 Limitation of Liability

No liability shall attach to Barloworld in relation to claims, damages, costs, expenses, losses or other liabilities in respect of each Property, which exceed an amount equal to the Acquisition Consideration in respect of each Property and related Rental Enterprise, on the basis that the aggregate amount recoverable from the Seller exclusive of interest and costs, from the relevant causes arising, shall be limited to the aforesaid amount.

3. PROPERTY LEASE AGREEMENT

3.1 Lease

3.1.1 Barloworld (hereinafter referred to as “Lessor”) will enter into the Property Lease Agreements in terms whereof it agrees to lease to the Lessee/s each of the Properties, with effect from the Commencement Date on the terms and conditions contained in the Agreement.

3.1.2 The commencement date of the Lease is (i) if Barloworld owns the Property as at the signature date, the date on which the first Property is transferred to Barloworld under the Barloworld Internal Restructure, or (ii) if Barloworld does not own the Property as at the signature date, the date on which the respective Property is transferred to Barloworld pursuant to the Barloworld Internal Restructure (“Commencement Date”).

3.1.3 The lease is intended to be fully maintaining, fully repairing and fully insuring (triple net lease) and the Lessee shall maintain, repair and insure the Property at its cost as if it were the owner thereof. The Lessor shall be entitled to receive the rental net of all such costs normally associated with property ownership save for insurance.

3.2 Consideration for the Lease

As consideration for the lease of the Property, the Lessee shall pay the applicable Rental for each Property to the Lessor. The rental amount payable in respect of each Property is the rental amount specified in Schedule 1 which amount is exclusive of VAT (the “Rental”).

3.3 Duration of the Lease

3.3.1 The lease shall commence on the Commencement Date, upon which the Lessor shall deliver possession of the Property to the Lessee. Save unless terminated earlier termination in accordance with its terms, any applicable laws and/or regulatory requirements, the lease shall continue for the duration of the Initial Period (being a period of ten (10) years) and terminate on the last day of the Initial Period, on which date the lease shall expire automatically without further notice, unless the Lessor shall have exercised the option to renew.

3.3.2 The Lessee shall have the option to extend the Property Lease Agreement for the Renewal Period (as defined) on the terms and conditions set out in the Property Lease Agreement, provided that the Rental payable for such further period shall be a fair market rental in respect of the Property as agreed by the Parties and failing agreement, as determined by an independent valuer nominated by the president for the time being of the Professional Valuers Association (a voluntary professional body, established under the auspices of the SA Council for the Property Valuers Profession), the costs of whom shall be borne by the parties jointly.

3.3.3 If the Lessee remains in occupation of the Property after the Expiry Date, the lease shall continue on the same terms and conditions of the Property Sale Agreement but the Lessee shall be deemed, without prejudice to any of the Lessor’s rights, to have leased the Property from the Lessor on a temporary basis as from the day after the Expiry Date, on the same terms and conditions of the Property Lease Agreement.

3.4 Rental Guarantee

3.4.1 The Lessee’s obligations shall, in the event that the Lessor transfers ownership of the Properties to Khula Sizwe, be guaranteed in the form of the Rental Guarantee, annexed to the Property Lease Agreement.

3.4.2 Barloworld shall deliver to Khula Sizwe a duly signed copy of the Rental Guarantee on written demand by Khula Sizwe to Barloworld at any time after the Effective Date.
3.5 Rental and Payment

3.5.1 The Rental for the Property is due and payable monthly in arrears, on or before the first Business Day of each succeeding month.

3.5.2 The Lessor shall deliver to the Lessee a tax invoice as prescribed in section 20(4) of the VAT Act in respect of the Rental by no later than the 20th day of each month.

3.5.3 The Lessee shall pay the Rental, together with VAT thereon, by way of electronic funds transfer into the Lessor's bank account, without set-off and free of deduction and any bank charges.

3.5.4 The Rental shall escalate by the Escalation Rate (as defined) on the basis set out in Schedule 1 to the Property Lease Agreement in respect of each Property.

3.6 Additional Charges

3.6.1 Operating Costs

3.6.1.1 The Lessee shall, together with the monthly Rental, pay to the Lessor any and all Operating Costs (as defined) in respect of the relevant period as notified to the Lessee by the Lessor in the tax invoice, together with VAT thereon.

3.6.1.2 The Property Lease Agreement records that the Lessor shall be reimbursed for any and all Operating Costs of any nature whatsoever relating to the Property (including premiums in respect of any insurance required to be taken out by the Lessor under clause 3.9) and the Lessee shall be obliged to pay the Operating Costs with effect from the Commencement Date, including, but not limited to the expenses and costs referred to below.

3.6.1.3 The Lessor shall prepare a variable Operating Cost budget for approval by the Lessee, which approval shall not be unreasonably withheld, prior to the Commencement Date and on the Implementation Date.

3.6.2 Rates and Taxes

3.6.2.1 The Lessee shall, together with the Rental, pay to the Lessor all rates and taxes payable in respect of the relevant Property against issue by the Lessor of a tax invoice in respect thereof.

3.6.2.2 The Lessee shall be liable for and shall on demand pay to the Lessor the amounts in respect of any new or increased taxes, duties, charges or imposts which may be imposed in respect of the relevant Property by any competent authority whether local, provincial, government or otherwise.

3.6.3 Electricity, Water, Sewerage, Refuse and Other Service Charges

The Lessee shall, together with VAT thereon and together with the Rental, pay to the Lessor against issue of a VAT invoice all electricity, water, gas, sewerage and refuse removals in or on the relevant Property, as per the Lessee's metered or sub-metered charges.

3.6.4 Management and Asset Management Fee

The Lessee shall, together with VAT thereon and together with the Rental, pay to the Lessor against issue of a VAT invoice a monthly management and asset management fee equal to 3% of the Rental for the month in question.

3.7 Use of each Property

Each Property shall be used for the Purpose only and for no other purpose unless the prior written consent of the Lessor has been obtained, which consent shall not be unreasonably withheld or delayed. The term “Purpose” is defined as the business needs of the Lessee and the Barloworld Group.

3.8 Alterations and Additions

The Lessee is not entitled to make any alterations or additions to any Property without the Lessor’s prior written consent, which consent shall not unreasonably be withheld or delayed.

3.9 Insurance

The Lessee shall be obliged at the Lessee's own cost to take out and keep in force during the term of the Property Lease Agreement, a public liability insurance policy for such amount as will provide indemnity in respect of all claims which may foreseeably be made against the Lessee arising out of its business on each Property and furnish the Lessor
with proof of such insurance upon demand. Should there be any dispute between the Parties as to the amount of the insurance or the terms and conditions of the policy, such dispute shall be referred to the Lessor’s insurers for a decision which shall be final and binding on the parties.

3.10 Duties of the Lessee and Liability

The Lessee is responsible for the day to day operation of each Property and any buildings thereon, including but not limited to the provision of security services, cleaning services, canteen services and repairs and maintenance.

3.11 Sub-letting and Assignment

3.11.1 The Lessee is not entitled sub-let any Property without the Lessor’s prior written consent which, in the case of sub-letting only, shall not be unreasonably withheld or delayed. The Lessee shall further not give up occupation or possession of any Property or any portion thereof to any person, whether as licensee, agent, occupier, custodian or otherwise, nor permit such person to enter into possession or to occupy or take possession of any Property or any portion thereof for either a definite period or at all, without the Lessor’s prior written consent.

3.11.2 The Lessee is however entitled to sub-let any Property to:

3.11.2.1 any member of the Barloworld group without any obligation to give any notice to the Lessor or any obligation to obtain the consent of the Lessor;

3.11.2.2 any lessee of a Property or part thereof as at the Implementation Date; or

3.11.2.3 any affiliate, joint venture, or joint venture partner of a member of the Barloworld group.

3.12 Property Maintenance

The Lessee shall at all times be responsible for all maintenance or repairs (including structural repairs), redecoration and operating expenses of each Property as if it were the owner of the Property (including, without limitation, all buildings, parking areas and gardens on the Property).

3.13 Environmental

3.13.1 The Lessee may, immediately after the Commencement Date, procure that the Property is inspected by a suitably qualified environmental expert nominated by it (which environmental expert shall be reasonably approved of by the Lessor) in order to determine if any environmental pollution and/or contamination exists on or about the Property and/or if any remedial measures are to be undertaken in terms of any law relating to the conservation and/or preservation of the natural environment (“environmental law”) or otherwise (“baseline study”).

3.13.2 To the extent a Property is identified in Schedule 1 as being subject to environmental pollution and/or contamination, and the baseline study reflects the existence of any such pollution or contamination then the Lessor shall be responsible for such remedial measures as are required to be undertaken.

3.14 Re-Hire on Termination

After termination of this Agreement for any reason, the Lessor shall, if it wishes in its sole discretion to re-let the Property or any part thereof, offer to lease the Property to the Lessee on the same terms set out in the Property Lease Agreement other than the Rental and Escalation Rate which shall be a fair market rental and escalation rate as agreed by the Parties in writing or failing agreement, as determined by an independent valuer nominated by the president for the time being of the Professional Valuers Association (a voluntary professional body, established under the auspices of the SA Council for the Property Valuers Profession), the costs of whom shall be borne by the Parties jointly.

4. KHULA SIZWE SUBSCRIPTION AGREEMENT

This Agreement is intended to come into effect on the Effective Date.

4.1 Subscription

4.1.1 Khula Sizwe is required to deliver to Barloworld, within 120 Business Days of its Financial Year End during the Empowerment Period, a Subscription Notice:

4.1.1.1 setting out the Auditors’ calculation of the Available Cash; and

4.1.1.2 offering to subscribe for Barloworld Ordinary Shares with an aggregate Subscription Price equal to 100% of the Available Cash on the basis set out in the relevant Barloworld Notice.
4.1.2 Within 30 Business Days of receiving the Subscription Notice Barloworld will issue a notice ("Barloworld Notice") to Khula Sizwe specifying inter alia the number of Subscription Shares to be issued to Khula Sizwe having an aggregate Subscription Price equal to 100% of the Available Cash as specified in the Subscription Notice based on the subscription price of each Subscription Share being the market value thereof; and agreeing to issue such Subscription Shares to Propco on the terms and conditions set out in this Agreement.

4.1.3 To the extent that the directors of Barloworld do not have sufficient Barloworld Ordinary Shares under their control, or are otherwise unable for whatsoever reason, to issue to Khula Sizwe the number of Subscription Shares:

4.1.3.1 Barloworld shall be required to issue to Khula Sizwe the maximum number of Subscription Shares which it is entitled to issue to Khula Sizwe without seeking further approvals or authorisations;

4.1.3.2 Barloworld shall specify the applicable number of Subscription Shares in the relevant Barloworld Notice; and

4.1.3.3 the number of Subscription Shares shall be deemed to have been reduced accordingly. In this event, any unutilised Available Cash shall be retained by Khula Sizwe and shall be included in the Available Cash for the purposes of the succeeding Financial Year.

4.2 Subscription Price

4.2.1 The Subscription Price for the Subscription Shares shall be the market value.

4.2.2 For purposes hereof, the market value of each Subscription Share shall be the volume weighted average price of a Barloworld Ordinary Share traded on the JSE over the 30 trading days immediately preceding the relevant Financial Year End, as determined by the board of directors of Barloworld on the basis of the trading information published by Bloomberg.

4.3 Completion

In respect of each subscription transaction:

4.3.1 the parties shall perform their respective obligations;

4.3.2 Khula Sizwe shall pay the Subscription Price; and

4.3.3 against payment of the Subscription Price and nevertheless within 10 Business Days of such payment, Barloworld shall allot and issue the Subscription Shares to Khula Sizwe credited as fully paid up.

4.4 Restrictions on the Subscription Shares

The Subscription Shares will be issued on the basis that Khula Sizwe shall not be entitled, during the Empowerment Period, to Dispose of or Encumber any of the Subscription Shares or any other Barloworld Ordinary Shares (as consolidated, subdivided or reorganised from time to time, and including any capitalisation shares) without Barloworld’s prior written consent (which consent shall not be unreasonably withheld by Barloworld), save for any Disposals or Encumbrances permitted by the Transaction Agreements (including for the avoidance of doubt, Disposals or Encumbrances contemplated in the Framework Agreement).

5. EMPLOYEE TRUST SUBSCRIPTION AGREEMENT

The salient terms of the Employee Trust Subscription Agreement include:

5.1 Subscription

The Employee Trust has agreed to subscribe for, and Khula Sizwe has agreed to allot and issue to the Employee Trust, the Subscription Shares against receipt of the Subscription Price, on the terms and conditions set out in the Employee Trust Subscription Agreement.

5.2 Subscription Price

The Subscription Price is an aggregate amount of R174 300 000 payable for the Subscription Shares.

5.3 Completion

5.3.1 On the Equity Advance Date:

5.3.1.1 the Employee Trust shall pay the Subscription Price to Khula Sizwe, and Barloworld shall pay the Subscription Price to Khula Sizwe on behalf of the Employee Trust, on the basis set out in the Employee Trust Contribution Agreement; and
5.3.1.2 against receipt of the Subscription Price by Khula Sizwe by no later than the Implementation Date, Khula Sizwe shall allot and issue the Subscription Shares to the Employee Trust credited as fully paid up.

5.3.2 The agreement records that Barloworld will provide a capital contribution to the Employee Trust to enable it to pay the Subscription Price as more fully provided in the Employee Trust Contribution Agreement.

5.4 Restrictions on the Subscription Shares

5.4.1 The Employee Trust shall not be entitled, during the Lock in Period, to Dispose of or Encumber any of the Subscription Shares or any Khula Sizwe Ordinary Shares (as consolidated, subdivided or reorganised from time to time, and including any capitalisation shares), which may be acquired by the Employee Trust at any time without Barloworld's prior written consent (which consent shall be at Barloworld's sole and absolute direction), save for any Disposals or Encumbrances expressly permitted by the Transaction Agreements.

5.4.2 On the 1st Business Day following the expiry of the Empowerment Period, the restrictions and suspensions of the rights attaching to the Subscription Shares and Khula Sizwe Ordinary Shares as set out in the Employee Trust Subscription Agreement shall automatically cease to apply to the Subscription Shares and the Khula Sizwe Ordinary Shares.

6. MANAGEMENT TRUST SUBSCRIPTION AGREEMENT

The salient terms of the Management Trust Subscription Agreement include:

6.1 Subscription

The Management Trust has agreed to subscribe for, and Khula Sizwe has agreed to allot and issue to the Management Trust, the Subscription Shares against receipt of the Subscription Price, on the terms and conditions set out in the Management Trust Subscription Agreement.

6.2 Subscription Price

The Subscription Price is an aggregate amount of R206,986,000 payable for the Subscription Shares.

6.3 Completion

On the Equity Advance Date:

6.3.1 the Management Trust shall pay the Subscription Price directly to Khula Sizwe or Barloworld shall pay the Subscription Price to Khula Sizwe on behalf of the Management Trust, on the basis set out in the Management Trust Loan Agreement; and

6.3.2 against receipt of the Subscription Price by Khula Sizwe (by no later than the Implementation Date), Khula Sizwe shall allot and issue the Subscription Shares to the Management Trust credited as fully paid up.

6.4 Restrictions on the Subscription Shares

6.4.1 The Management Trust shall not be entitled, during the Lock in Period, to Dispose of or Encumber any of the Subscription Shares or any Khula Sizwe Ordinary Shares (as consolidated, subdivided or reorganised from time to time, and including any capitalisation shares), which may be acquired by the Management Trust at any time without Barloworld's prior written consent (which consent shall be at Barloworld's sole and absolute direction), save for any Disposals or Encumbrances expressly permitted by the Transaction Agreements.

6.4.2 On the 1st Business Day following the expiry of the Empowerment Period, the restrictions and suspensions of the rights attaching to the Subscription Shares and the Khula Sizwe Ordinary Shares as set out in this Agreement shall automatically cease to apply to the Subscription Shares and Khula Sizwe Ordinary Shares.

6.5 Additional Subscription Shares

6.5.1 The parties have acknowledged that Khula Sizwe intends to make a Public Offer in respect of Khula Sizwe Ordinary Shares (“Offered Shares”) for subscription by eligible members of the public who are Black and who satisfy the further conditions set out under the Framework Agreement (“Offer”).

6.5.2 If the Offer is not accepted by the Black Public in full or at all, then to the extent that there are any remaining Offered Shares which have not been allotted to the Black Public (“Remaining Offered Shares”), the Management Trust, subject to Barloworld increasing the amount of the Management Trust Loan, has undertaken to subscribe for all of the Remaining Offered Shares.
6.5.3 If and to the extent that there are any Remaining Offered Shares, Khula Sizwe will provide the Management Trust and Barloworld with a written notice (“Offer Notice”) setting out the number of Remaining Offered Shares and the subscription price payable therefor by the Management Trust (which shall be the same as the subscription price applicable to the Offered Shares), in which event Barloworld shall be obliged to increase the amount of the Management Trust Loan pursuant to the Management Trust Loan Agreement, and the Management Trust shall be obliged to subscribe for all of the Remaining Offered Shares using the proceeds of the loan.

7. KHULA SIZWE MOI

7.1 The Khula Sizwe MOI is binding on its shareholders and Khula Sizwe and contains inter alia provisions restricting the powers of Khula Sizwe and certain restrictions and undertakings imposed on Khula Sizwe Shareholders which are intended to preserve the BEE Status of Khula Sizwe until the end of the Empowerment Period.

7.2 An extract of the relevant provisions of the Khula Sizwe MOI is set out in Annexure 2.

8. EXTERNAL LOAN AGREEMENT

8.1 The Facility

8.1.1 Nedbank Limited (the Lender) will be providing a 10 (ten) year Term Loan Facility amounting to R2 182 497 141 (two billion one hundred and eighty-two million four hundred and ninety-seven thousand one hundred and forty-one rand) to Khula Sizwe.

8.2 Purpose

Khula Sizwe shall apply all amounts borrowed by it under the Facility towards the purchase of the Properties.

8.3 Interest

Interest on the Facility for each interest period will be payable monthly as follows, interest shall be calculated based on the percentage rate per annum equal to the aggregate of the applicable margin (being 1.95%) and JIBAR.

8.4 Repayment

Khula Sizwe shall repay the Facility by way of interest only for the first 12 (twelve) months, and thereafter Khula Sizwe shall be paying monthly repayments of part capital and interest instalments escalating at 8% (eight percent) per annum and amortising the Facility to a fixed residual repayment of R900,000,000.00 (nine hundred million rand) on the repayment date which date shall be 120 (one hundred and twenty) months (10 (ten) years) from the advance date.

8.5 Security

8.5.1 The Facility will be secured by:

8.5.1.1 registration by the Khula Sizwe of the mortgage bonds in an aggregate amount of R2 858 557 400.00 (two billion eight hundred and fifty-seven thousand four hundred and forty-one rand) over the Properties plus an additional sum of R571 711 480 (five hundred and seventy-one million seven hundred and eleven thousand four hundred and eighty rand) for securing certain costs and disbursements which the Lender may pay, incur or make, in favour of the Lender over the Properties;

8.5.1.2 a cession in security by Khula Sizwe in favour of the Lender of all rentals to be derived by the Khula Sizwe from leasing the Properties;

8.5.1.3 a cession in security by Khula Sizwe in favour of the Lender of the rental guarantee furnished by Barloworld Limited in respect of the Properties; and

8.5.1.4 a cession by Khula Sizwe of all rights in and to the proceeds of any short-term insurance policy taken out over the Properties.

8.5.2 It is worth noting that whilst Barloworld Limited is not a party to the Loan Agreement, the financial covenants contained therein will be based on and linked to Barloworld Limited financial standing.
8.6 **Warranties**

The Loan Agreement contains normal representatives and warranties for a transaction of this nature, which warranties include Khula Sizwe warranting to the Lender (i) that it has the capacity, power and authority to enter into the Loan Agreement; (ii) that there are no encumbrances that exists over its assets; (iii) that its payment obligations under the Loan Agreement rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors; (iv) that Khula Sizwe is in compliance with all applicable laws, including environmental and taxation laws; and (v) that the terms of the Loan Agreement are not in conflict with Khula Sizwe’s constitutional documents and other obligations it may have.

8.7 **Events of Default**

8.7.1 Khula Sizwe, as borrower shall be considered to be in default, inter alia, (i) in the event of non-payment of any amounts that become due under the Loan Agreement; (ii) if Khula Sizwe becomes insolvent or institute insolvency proceedings; (iii) if there is any financial indebtedness that exceeds an aggregate amount of R250 000 000 (two hundred and fifty million Rand) in any year that has not been paid when due; (iv) any misrepresentation made by Khula Sizwe and (v) if there is any breach of any undertakings and warranties given by Khula Sizwe. All being customary default provisions for financing agreements of this nature.

8.7.2 In the event of any of the abovementioned events occurring and continuing, the Lender may demand immediate payment of all amounts under the Loan Agreement regardless of whether they are due or not; cancel the whole or part of the facility; refuse to make payment of any undrawn amounts; demand specific performance of its obligations under the Loan Agreement from Khula Sizwe; or claim payment from Khula Sizwe of breakage costs, and damages.

9. **AMENDMENT AGREEMENT**

The Amendment provides for the following:

- deletion of specified properties from the schedules of properties (i) to be sold by Barloworld to Khula Sizwe, and (ii) to be leased by Khula Sizwe to subsidiaries of Barloworld;
- addition of specified properties to the schedules of properties (i) to be sold by Barloworld to Khula Sizwe, and (ii) to be leased by Khula Sizwe to subsidiaries of Barloworld;
- decrease in the purchase price for the property portfolio being sold to Khula Sizwe – aggregate purchase price to be decreased by R6 051 500; and
- decrease in the aggregate of the rental amounts payable by Barloworld SA and Barloworld Logistics to Barloworld under and in terms of the Property Lease Agreements by an amount which takes account of the decrease in the aggregate purchase price payable for the Properties.

In addition to the aforesaid, the following further amendments to the Transaction Documents were made to ensure that such documents correctly reflect the intention of the parties:

- increase to the amount advanced by Barloworld to:
  
  a. the trustees for the time being of the Khula Sizwe Management Trust in terms of the Management Loan Agreement by an amount equal to R186,000 (one hundred and eighty-six thousand rand); and
  
  b. the trustees for the time being of the Khula Sizwe Employee Trust in terms of the Contribution Agreement by an amount equal to R304,000 (three hundred and four thousand rand);

  to enable them (collectively the “Trusts”) to acquire sufficient shares in Khula Sizwe to hold their designated proportion of Khula Sizwe’s issued share capital as set out under the Transaction Agreements; and

- other consequential and minor amendments as were necessary.
The information contained below has been summarised for general information purposes only and is not intended to provide an exhaustive list of information and documentation required in order to identify and verify the applicant in terms of FICA. The Applicant must make reference to the Financial Intelligence Centre Act, 2001 to the extent there are changes to the FICA requirements.

### BLACK PEOPLE

<table>
<thead>
<tr>
<th>Type of client</th>
<th>Document type</th>
<th>Guidelines of what documents may be required</th>
</tr>
</thead>
</table>
| South African citizen resident in South Africa or resident abroad | Proof of identity  | • Copy of valid South African green barcoded identity document; or  
• Copy of valid South African identity card (smart card).                                                                                                               |
|                                                   | Proof of physical address | • Refer to page 140 of this Annexure 7 for a full list of the acceptable documents.                                                                                     |
|                                                   | Proof of Bank        | • Bank Statement or confirmation letter on Bank Letterhead                                                                                                               |
| Minor (where a parent or guardian acts on behalf of the minor) | Proof of identity  | For the minor:  
• Birth certificate; or  
• Copy of valid South African green barcoded identity document; or copy of valid South African identity card (smart card). For the guardian/parent:  
• Copy of valid South African green barcoded identity document; or  
• Copy of valid South African identity card (smart card),  
• A passport if they are not a South African Citizen                                                                                               |
|                                                   | Proof of physical address | For the minor:  
• Proof of physical address in the name of the guardian.  
Refer to page 140 of this Annexure 7 for the full list of the acceptable documents.                                                                 |
<p>|                                                   | Proof of Bank        | • Bank Statement or confirmation letter on Bank Letterhead in the name of the minor                                                                                      |</p>
<table>
<thead>
<tr>
<th>Type of client</th>
<th>Document type</th>
<th>Guidelines of what documents may be required</th>
</tr>
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<tbody>
<tr>
<td><strong>Authorised representative information (if applicable)</strong></td>
<td>Required for:</td>
<td>• Proof of identity; and</td>
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<tr>
<td></td>
<td>• the authorised representative who has signed the appointment of authorised representative form attached to the Prospectus as Annexure 8;</td>
<td>• Proof of physical address</td>
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<tr>
<td></td>
<td>Please call the Call Centre or refer to the FAQ section of the Khula Sizwe website at <a href="http://www.barloworldkhulasizwe.com">www.barloworldkhulasizwe.com</a> for more specific authorised representative information.</td>
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<tr>
<td><strong>Sole proprietor/practitioner</strong></td>
<td>Proof of trading name</td>
<td>• A declaration letter by the applicant confirming the trading name.</td>
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<td></td>
<td>Proof of identity</td>
<td>• Copy of valid South African barcoded identity document; or</td>
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<td></td>
<td></td>
<td>• Copy of valid South African identity card (smart card).</td>
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<td></td>
<td>Proof of physical address (residential); and Proof of trading address (only if different from physical residential address)</td>
<td>• Refer to page 140 of this Annexure 7 for a full list of the acceptable documents.</td>
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<tr>
<td></td>
<td>Proof of authority (if applicable)</td>
<td>A proof of authority is only applicable in the event that the client grants another natural person authority to establish a business relationship or act/transact on the clients account. The following written instructions provide proof of that person's authority and must be obtained: • the resolution; • a signed extract of the minutes proving authority; or • a letter, signed by the sole proprietor.</td>
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<td><strong>Note:</strong> Where the sole proprietor acts on his own behalf, proof of authority to act does not need to be provided. Proof of authority must still be obtained if another person, other than the sole proprietor is granted authority to act on behalf of/for the sole proprietor.</td>
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<td></td>
<td>Proof of Bank</td>
<td>• Bank Statement or confirmation letter on Bank Letterhead, with account in the name of the investor</td>
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<tr>
<td><strong>Partnership</strong></td>
<td>Partnership agreement</td>
<td>• Partnership agreement in terms of which the partnership was formed; or</td>
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<td></td>
<td>• In the case of a Professional Partnership which is registered with a professional body, proof of membership/registration with the professional body.</td>
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<td></td>
<td>Proof of authority</td>
<td>• The resolution proving authority; or</td>
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<td></td>
<td></td>
<td>• A signed extract of minutes proving authority; or</td>
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<td></td>
<td></td>
<td>• A letter signed by the other partners on an official company letterhead.</td>
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<td>• Power of attorney granting authority;</td>
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<td></td>
<td>Proof of trading address</td>
<td>• Refer to page 140 of this Annexure 7 for a full list of the acceptable documents.</td>
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<tr>
<td></td>
<td>Proof of Bank</td>
<td>• Bank Statement or confirmation letter on Bank Letterhead, with account in the name of the investing group</td>
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<tr>
<td>Close Corporation</td>
<td>Company documentation (only if close corporation)</td>
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</table>
| • A copy of the most recent Founding Statement and Certificate of Incorporation (form CK1); **AND** • If applicable, the Amended Founding Statement (form CK2) in conjunction with the CK1; or • If applicable, the Amended Founding Statement (form CK2) in conjunction with the CK2A; **AND** • Proof of bank account of the Close Corporation in the form of either: • Copy of bank statement confirming bank details of the company (less than three months old); or alternatively • An official signed letter from the bank, on a bank letterhead listing full details of the company bank account • Copy of official SARS document showing the Close Corporation name and income Tax number. **AND** • BEE Ownership Certificate. **If there was a name change:** • Founding Statement and the Certificate of Incorporation or CIPRO certificate **Proof of authority** Required for a natural person purporting to act on behalf of the close corporation mandated officials and/or authorised signatories Not required if there is only one member and no one else transacting on the account The resolution providing authority; or • A signed extract of minutes proving authority printed on the Close Corporation letterhead, signed by all members and nominating one signatory/representative; or • A letter signed by the managing member or all members where there is no managing member, on an official letterhead, or • Power of attorney granting authority; **AND** • Proof of identification; • Contact details. **Company documentation (only if converted close corporation)** • The signed copy of the Close Corporation Registration Certificate (form CoR 18.3). **Proof of shareholding (only if converted close corporation)** (Of an individual/legal entity confirming % voting rights) • A letter confirming the shareholding, signed by the company secretary on an official letterhead; or • A letter from the company auditors confirming the shareholding; or • Sole shareholder declaration form, if applicable. **Proof of trading address** • Refer to page 140 of this Annexure 7 for a full list of the acceptable documents. **Proof of Bank** • Bank Statement or confirmation letter on Bank Letterhead, with account in the name of the investing group
<table>
<thead>
<tr>
<th>South African non-listed company</th>
<th>Company documentation</th>
<th>Verification of identity:</th>
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<tbody>
<tr>
<td>• Signed copies of documents</td>
<td><strong>Verification of identity:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The Notice of Incorporation (CoR 14.1);</td>
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<td></td>
<td>• Registration Certificate (CoR 14.3) and;</td>
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<td></td>
<td>• Standard Form Memorandum of Incorporation (CoR 15.1);</td>
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<td>• Certificate reflecting the registered name, registration number and registered address;</td>
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<td><strong>OR</strong></td>
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<td></td>
<td>• The Notice of Registered Office and Postal Address (Form CM22) and either</td>
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<td></td>
<td>• Memorandum and articles of association (Form CM2 and CM44), or the signed copy of the most recent Certificate of Incorporation (Form CM1) or (Form CM9) where a South African non listed company’s name has changed, and therefore differs from the CM1 if applicable, the Notice of Change Concerning a Director (Form CM 27/29);</td>
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<td></td>
<td>• if applicable, the Notice of change of Registered Office (Form CM 22);</td>
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<td></td>
<td><strong>OR</strong></td>
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<td></td>
<td>• the Notice of Incorporation (CoR 14.1); Registration Certificate (CoR 14.3) and; Standard Form Memorandum of Incorporation (CoR 15.1) reflecting the details required;</td>
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<td></td>
<td>• if applicable, the Notice of Change Concerning a Director (Form CoR 39); and</td>
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<td></td>
<td>• if applicable, the Notice of change of Registered Office (Form CoR 21).</td>
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<td></td>
<td><strong>AND</strong></td>
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<td></td>
<td>• BEE Ownership Certificate.</td>
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</table>

**Verification requirements for a converted Close Corporation:**

• The registered name and registration number of a converted close corporation must be verified by comparing these particulars with the signed copy of the Close Corporation Registration Certificate (Form CoR 18.3).

**Change of name of a South African Non-Listed Company:**

Where a South African non-listed company changes its name, after the Companies Act came into effect the following documents need to be obtained:

• The new registration certificate (CoR 14.3);  
**AND**

• Special resolution passed by the company authorising the name change;  
• CIPC issued CoR 15.2 reflecting the company’s new name as set out in the special resolution;  
• The most recent Certificate of Incorporation (Form CM1/ CoR14.3) which reflects the company’s registration number and previous name. 
**OR**

• Notice of Incorporation (CoR14.1); Registration Certificate (CoR 14.3); Standard Form Memorandum of Incorporation (CoR 15.1) and Notice of Amendment to the Memorandum of Incorporation (CoR 15.2) reflecting the details required.
<table>
<thead>
<tr>
<th><strong>Proof of authority</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
</table>
| Required for a natural person, purporting to act on behalf of the South African non-listed company, mandated officials and/or authorised signatories. Not required if there is only one director and no one else transacting on the account. | • The resolution providing authority; or  
• A signed extract of minutes proving authority; or  
• A signed letter signed by the company secretary on an official letterhead.  
• Power of attorney granting authority. |

<table>
<thead>
<tr>
<th><strong>Proof of trading address</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
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<tbody>
<tr>
<td>• Refer to page 140 of this Annexure 7 for a full list of the acceptable documents.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Proof of shareholding</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
</table>
| (Of an individual/legal entity confirming % voting rights only if a Valid BEE Ownership Certificate has not been provided) | • A letter, confirming the shareholding signed by the company secretary on an official letterhead; or  
• A letter from the company auditors confirming the shareholding; or  
• Sole shareholder declaration, if applicable. |

<table>
<thead>
<tr>
<th><strong>Proof of Bank</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bank Statement or confirmation letter on Bank Letterhead, with account in the name of the investing group.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>South African listed company/wholly owned subsidiary of a South African listed company</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
</table>
| **Proof of authority** | • The resolution providing authority; or  
• A signed extract of minutes proving authority; or  
• A signed letter signed by the company secretary on an official letterhead.  
• Power of attorney granting authority. |

<table>
<thead>
<tr>
<th><strong>Other “unincorporated” legal entities (including Stokvels)</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
</table>
| **Legal entity documentation** | • The signed constitution and/or other founding document in terms of which the other legal person/entity/organ of state is created; or  
• List of members;  
• Other documents relating to the founding of the legal form.  
The following requirements are applicable for a cooperative:  
• Certificate of Registration of the cooperative (form CoR 10); or  
• CIPC printout; or  
• Constitution of the cooperative signed by the minimum number of founder members;  
• List of members.  
If there was a name change for the cooperative:  
• Certification of Change of Name (form CoR 11). |

<table>
<thead>
<tr>
<th><strong>Proof of authority</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
</table>
| Required for a natural person purporting to act on behalf of the other legal person/legal entity/organ of state mandated officials or authorised signatories. | • The resolution providing authority; or  
• A signed extract of minutes proving authority; or  
• Power of attorney granting authority;  
• A letter signed on the letterhead the other legal person/entity/organ of state. |

<table>
<thead>
<tr>
<th><strong>Proof of trading address</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Refer to page 140 of this Annexure 7 for a full list of the acceptable documents.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Proof of Bank</strong></th>
<th><strong>Documents required:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bank Statement or confirmation letter on Bank Letterhead, with account in the name of the investing group.</td>
<td></td>
</tr>
<tr>
<td>Inter vivos trust (registered in South Africa)</td>
<td>Proof of identity</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>• Signed copy of the original</td>
<td>• The trustees’ signed resolution to establish the business relationship; or</td>
</tr>
<tr>
<td>• If the trust deed establishing the trust was amended, copies of any amendments to the trust deed lodged with the Master of the High Court;</td>
<td>• If the trust deed establishing the trust was amended, copies of any amendments to the trust deed lodged with the Master of the High Court;</td>
</tr>
<tr>
<td>• The trust deed or other founding document in terms of which the trust was created.</td>
<td>• The authorisation given by the Master of the High Court in terms of section 7 of the Trust Property Control Act, 1998 (Act No. 57 of 1998), to each trustee of the trust to act in that capacity.</td>
</tr>
<tr>
<td></td>
<td>• If the trust deed establishing the trust was amended, copies of any amendments to the trust deed lodged with the Master of the High Court;</td>
</tr>
<tr>
<td></td>
<td>• The authorisation given by the Master of the High Court in terms of section 7 of the Trust Property Control Act, 1998 (Act No. 57 of 1998), to each trustee of the trust to act in that capacity.</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Any of the following signed documents can be used as proof of address

<table>
<thead>
<tr>
<th>TYPE OF UTILITY BILL/DOCUMENT</th>
<th>VALIDITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility bill</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Bank statement</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Lease or rental agreement (must be a valid agreement at the date of application)</td>
<td>Less than 12 months old</td>
</tr>
<tr>
<td>Site rental certificate</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Letter from employer where client is housed in/on employer’s premises – letter must show the period of occupation</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Municipal rates and taxes invoice</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Mortgage statement – from a financial institution</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Telkom or other fixed-line-provider account</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Official SARS document/letterhead-tax return/any other official document issued by the South African Revenue Service on its letterhead</td>
<td>Less than 12 months old</td>
</tr>
<tr>
<td>IRP5 certificate as supplied by employer</td>
<td>Less than 12 months old</td>
</tr>
<tr>
<td>Body corporate/Share block correspondence</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Valid TV licence</td>
<td>Less than 12 months old</td>
</tr>
<tr>
<td>Valid motor vehicle licence</td>
<td>Less than 12 months old</td>
</tr>
<tr>
<td>Payslip or salary advice</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Insurance policy document</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>National, provincial or local government document</td>
<td>Less than 12 months old</td>
</tr>
<tr>
<td>Court order</td>
<td></td>
</tr>
<tr>
<td>Retail account including cell phone account</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>UIF or pension payment slip</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Other official third-party document – from a credible source, e.g. medical aid statements</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>University documentation – letter on official university letterhead confirming the student’s full name, identity number, student number, current year of registration and physical address.</td>
<td>Less than 3 months old</td>
</tr>
<tr>
<td>Tribal chief/authority may sign the declaration with their official stamp or attach an official letterhead.</td>
<td>Less than 3 months old</td>
</tr>
</tbody>
</table>
RESOLVED THAT
(insert full name of authorised representative),

identity number
(insert identity number of authorised representative)

be and is hereby authorised for and on behalf of

(insert name of Black Group)

trading as
(if applicable),

registration number
(insert registration number of Black Group, if applicable) (the “Black Group”), to:

• do all such things and sign all such documents (including, but not limited to the Application Form, FICA and BEE verification process) as may be required in connection with the Public Offer; and

• engage with and/or issue instructions to Khula Sizwe, Velocity Trade and/or any service providers and/or third parties in connection with the Public Offer.

IT IS HEREBY CERTIFIED THAT THE ABOVE IS A TRUE EXTRACT FROM THE RESOLUTION OF THE DIRECTORS/TRUSTEES/PARTNERS/MEMBERS (delete where not applicable) OF THE BLACK GROUP DULY PASSED IN ACCORDANCE WITH ITS CONSTITUTIONAL DOCUMENTS ON

2019 (insert date).

Name:
Identity number:
Capacity:
Date:
APPLICATION FORM FOR BLACK PEOPLE TO SUBSCRIBE FOR SHARES IN KHULA SIZWE

All capitalised terms used in this Application Form are defined on pages 17 to 26 of the Prospectus (Definitions and Interpretation). This Application Form forms part of the Prospectus which was registered by the Registrar of Companies on [1 April] 2019 and must be read in conjunction with it.

Applications submitted after 16:00 on 31 May 2019 will be disregarded.

This Application Form, in substantially the same form, can only be completed Online or through the Call Centre and will constitute an acceptance of the Public Offer by a Black Participant agreeing to subscribe for the Khula Sizwe Shares set out therein.

Instructions:

1. You may only apply to participate if you qualify to participate in the Public Offer.

2. The following options are available to all Applicants to complete an Application Form:

   a. Online: Applicants may visit the website www.barlowordkhulasizwe.com to create an investor profile and complete the Application Form online. After your investor profile has been created you will be sent an SMS with a unique Investor Number (KS#) which must thereafter be used with respect to all communications with Khula Sizwe. Applicants may only complete this Application Form Online; or

   b. Call Centre: Applicants may call the Call Centre on 0800 233 733 (toll-free number) to create an investor profile and complete the Application Form. After your investor profile has been created you will be sent an SMS with a unique Investor Number (KS#) which must thereafter be used with respect to all communications with Khula Sizwe;

3. Every Applicant must submit all supporting documents contemplated in step 2 commencing on page 4 of the Prospectus.

4. All supporting documents must be uploaded Online or emailed to applications@barlowordkhulasizwe.com.

5. Before completing the Application Form, read the Prospectus and, in particular, the details of the Public Offer (Refer to Section 2 of the Prospectus commencing on page 39).

6. Applications for Khula Sizwe Shares under the Public Offer are irrevocable and may not be withdrawn once received by, or on behalf of Khula Sizwe, unless Khula Sizwe issues, registers and publishes a supplement to the Prospectus, in which event applications made prior to the date of issue or publication of the supplement may be withdrawn on written notice to Khula Sizwe (in the case of applications under the Public Offer) within 20 Business Days after the date of issue or publication.

7. The minimum subscription required for participation by an Applicant in the Public Offer is 250 Khula Sizwe Shares at R10 per Khula Sizwe Share, which amounts to a minimum subscription payment of R2 500.

8. Please ensure you have read the terms and conditions of the Public Offer as set out in Section 2 of the Prospectus commencing on page 39.

9. If you are unsure as to the correct way to capture some of your data for purposes of populating the Application Form or do not have Online access, please contact the Call Centre on 0800 233 733 (toll-free number).

10. After your Application Form and supporting documentation have been processed you will be sent an SMS with a payment instruction. Use your unique Investor Number (KS#) as a reference on all payments. Use the account details on the payment instruction to make payment before 16:00 on 31 May 2019. Whatever amount you (or other persons) deposit into the Khula Sizwe bank account, will constitute an offer by you to subscribe for Khula Sizwe Shares up to that amount. This amount will be used, if you are successful with your application, to subscribe for as many Khula Sizwe Shares as possible in multiples of R10 up to the maximum number of Khula Sizwe Shares allocated to you and any excess amount will be refunded to you without any interest as provided for in the Prospectus. Please note that refunds are subject to Applicants having complied with FICA and their bank account details being verified.

11. If you make a mistake when completing your Application Form or your details have changed after completing the Application Form (created and submitted through the above channels), you will need to login to update your details Online or call the Contact Centre to update the details. You will be required to provide all supporting documentation before your changes are effected.

12. Khula Sizwe is entitled to verify your details (for BEE, FICA and other purposes) and you are obligated to assist in such verification promptly when requested to do so.

If you have any questions regarding the Application Form, please call the Call Centre on 0800 233 733 (toll-free number).
PERSONAL DETAILS OF APPLICANT

Surname:

First name/s (as per identity document):

Gender: ☐ Male  ☐ Female

South African Identity number:

South African citizen: YES/NO

Country of Residence: SOUTH AFRICA/OTHER

SARS tax reference number, if available (ten digit reference number):

Are you a member of any one or more of the following Designated Groups (as defined): YES/NO/UNCERTAIN

Disabled as defined in the Codes of Good Practice on employment of people with disabilities issued under the Employment Equity Act

Unemployed and not attending and not required by law to attend an educational institutional and not awaiting admission to an educational institutional

Living in rural and under developed areas

Youth as defined in the National Youth Commission Act of 1996 (16 – 35 years old)

New Entrants

Before applying for shares in Khula Sizwe, have you held equity instruments (eg. shares or similar securities) in any other entities (including non-BEE entities) which have a total value of more than R50 million, measured using a standard valuation method?  YES/NO/UNCERTAIN

CONTACT DETAILS FOR APPLICANT

Email address:

Cell phone number:

Work phone number:

Home phone number:

Residential address:

Suburb:  City/town:

Postal code:

Please note that you will only receive communications by SMS with respect to the status of your application and you will not be able to reply to those SMSes. By signing this Application Form you agree to receiving regular status updates by SMS. If you have any queries with respect to any SMS received by you, call the Call Centre on 0800 233 733 (toll-free number).

Please ensure that you are able to be contacted on the cell phone number that you provided during the Offer Period and for 120 days thereafter. If your cell phone number changes during this time, you will need to call the Call Centre to update your contact details.

If the Applicant is a minor (under 18 years of age): Insert details of his/her legal guardian or parents who by his/her signature below, in a representative capacity, provides the warranties and undertakings and acknowledgements set out in this Application Form on behalf of the Applicant.

DETAILS OF PARENT/GUARDIAN IF APPLICANT IS A MINOR OR IF THE PERSON SIGNING THIS FORM IS SIGNING IN A REPRESENTATIVE CAPACITY

Capacity: ☐ Birth parent of minor  ☐ Legal guardian

Surname:

First name/s (as per identity document):

Identity number:

Email address:

Cell phone number:

Office phone number:

Home phone number:

Residential address:

Postal code:
**BANK ACCOUNT DETAILS FOR APPLICANT (South African bank account denominated in South African Rand ONLY)**

Name of bank account holder: 

Bank name: 

Bank account number: 

Branch code: 

Account type: □ Cheque/Current □ Savings

Please note that all refunds, dividends and other payments will be made in South African Rand to the above bank account which must be in the Applicant’s name. Refunds, dividends and other payments will not be made in foreign currency, into foreign bank accounts or to any person or bank account other than to the Applicant’s bank account above. Accordingly, if any person makes any payments on your behalf or otherwise into Khula Sizwe’s bank account using your unique reference number, all refunds, dividends and other payments will be paid to you and not to that person. You hereby agree to indemnify Khula Sizwe, Barloworld and their advisers and service providers in respect of any claims made by any person who may make any payment on your behalf or otherwise into the Khula Sizwe Account using your unique Investor Number (KS#) number.

**DECLARATION AND AGREEMENT:**

To: KHULA SIZWE PROPERTY HOLDINGS (RF) LIMITED

By signing this Application Form:

I confirm to Khula Sizwe that I have full legal capacity and that I am duly authorised to contract and, having read and understood the Prospectus, hereby irrevocably apply for the number of Khula Sizwe Shares hereof; provided that if a supplement to the Prospectus is registered and published and I applied for Khula Sizwe Shares prior to the date of publication of the supplement, I shall be entitled to withdraw the application on written notice to Khula Sizwe within 20 business days after the date of publication of the supplement in the circumstances set out in the Prospectus.

I warrant to Khula Sizwe that I am a South African citizen and a Black Person (as defined in the Prospectus) and that all of the information provided by me in this Application Form (including all supporting documents) is true and correct in all respects.

I acknowledge to Khula Sizwe that I was at the time of making this application, in possession of a copy of the Prospectus or I am aware of the Prospectus and its contents including the various restrictions that are imposed upon the Disposal and/or Encumbrance of Khula Sizwe Shares as set out in the Prospectus. I undertake in favour of to Khula Sizwe and Barloworld that, if Khula Sizwe Shares are issued to me, I will comply with the terms of the Khula Sizwe MOI, the custody arrangements, to the extent applicable, including all the restrictions contained in the Khula Sizwe MOI. I understand that if I contravene these restrictions and/or breach any of the terms, I may have action taken against me which may result in me losing any benefit which I would otherwise have had in my investment in Khula Sizwe.

I authorise Khula Sizwe or any relevant third party to obtain confirmation or additional information from an authorised bureau and to verify my details; and that I acknowledge that I am obliged to assist in such verification promptly when requested to do so.

I acknowledge that Khula Sizwe will rely on the truthfulness and completeness of the information provided and statements made by me when making its decision to issue Khula Sizwe Shares to me.

By agreeing to be bound by the terms and conditions of the Application Form (whether online without any assistance or through the Call Centre), you confirm that the details contained in this Application Form and in your supporting documents are true and correct. You will not be able to claim later that the details that you have included in this Application Form and in your supporting documents were not true and correct when you submitted this Application Form or the supporting documents. Khula Sizwe and/or Barloworld or other persons may also have claims and rights against you because of the details that you put in this Application Form, AND PROVIDING FALSE INFORMATION COULD BE A CRIMINAL OFFENCE.

By agreeing to the terms and conditions of this Application Form and the Prospectus, you:

1. agree to: (i) the sharing of the information contained herein between Velocity, Khula Sizwe, Barloworld, the Custodian, the Participants, the Transfer Secretary, Strate and any other applicable third party for the purposes of facilitating and implementing the Public Offer/and your subsequent holding of shares in Khula Sizwe; and (ii) the use, process and/or transfer of the information contained herein, including intra-group transfers, transfers across a country border and transfers to entities in countries that do not provide statutory protections for personal information; and

2. confirm your acceptance of (and agreement to) the extent applicable, the terms and conditions of the website, which can be found at www.barloworldkhulasizwe.com.
I hereby confirm that I have read, understood and accept all the aspects of Velocity Terms and Conditions and agree and undertake that I will be bound by all the provisions of the Velocity Terms and Conditions and that all the terms thereof will be enforceable against me by the relevant parties.

RISK DISCLOSURE STATEMENT

I confirm that I have read, understood and accept all aspects of the Risk Disclosure Statement.

The information in this Risk Disclosure Statement is general information only and does not take into account your personal objectives, financial situation and needs. You should consider these things and seek independent professional advice before making a decision about investing.

You must be satisfied that any investment you undertake is appropriate in view of your objectives, financial situation and needs. If you wish to purchase shares in Khula Sizwe Property Holdings (RF) Limited (“Khula Sizwe”), you are required to agree to the terms and conditions of the Application Form.

You should be aware of the following points:

• All shareholding investments are exposed to a degree of risk.
• Market fluctuations may have an effect on the value, price or income of investments.
• Investment capital is not guaranteed, and past performance is not a guide to future investment performance. If the company is doing well, it will pay shareholders dividends. There is no guarantee that dividends will be paid.
• You should read all available information as regards your investment including, but not limited to, terms and conditions and the “frequently asked questions” in order to properly consider your risks.
• You should carefully consider whether your financial position permits you to invest in shares.
• You should carefully consider whether an investment in shares is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.
• Before investing, you should be aware of tax consequences and on this you should consult your lawyer, accountant or other tax adviser.
• You must ensure that you fully understand the risks involved in owning shares before you invest.

MARKET VOLATILITY

Markets are subject to many influences which may result in rapid fluctuations and reflect unforeseen events or changes in conditions. Market volatility can be the result of a number of factors such as unexpected news or previously unknown data being released into the marked (e.g. news of terrorist attacks, revaluation of a currency, geopolitical upheaval or natural disasters).

PRIVACY NOTICE

I confirm that I have read, understood and accept all aspects of the Privacy Notice.

PRIVACY NOTICE:
Khula Sizwe is collecting your personal information from you and its address is 61 Katherine Street, Sandown, Sandton, 2196. The nature of the personal information collected relates to your personal contact details, your race, your citizenship, your country of residence, your tax number, certain financial details, whether you are disabled or unemployed, your age. Velocity is collecting this information on Khula Sizwe’s behalf. In the declaration and agreement below we ask for your consent to Khula Sizwe and Velocity processing your personal information. Your personal information is being collected so that if your application to subscribe for shares in Khula Sizwe is successful, Khula Sizwe can facilitate and implement your participation in the Public Offer. FICA also requires Khula Sizwe to collect your personal information. Providing your personal information to Khula Sizwe is mandatory, and if you do not provide the information requested, your application to subscribe for shares will be declined. Your personal information will be shared with Velocity, Khula Sizwe, Barloworld, the Participants and the Transfer Secretary, Strate and any other applicable third party for the purposes of facilitating and implementing the Public Offer and your subsequent holding of Khula Sizwe Shares. You have the right to access your personal information, the right to correct your personal information, and the right to object to the processing of your personal information. Please see the website – www.barloworldkhulasizwe.com for contact details.

The terms set out above are summary in nature and do not substitute or limit the full terms applicable to the Public Offer which are set out in the Prospectus and to which you are bound by submitting this Application Form.

Dated Place

Surname:

First name/s (as per identity document):

Identity number:

Signature:

If the Applicant is a minor (under 18 years of age): Insert details of his/her legal guardian or parents who by his/her signature below provides the above warranties and undertakings and acknowledgements for and on behalf of the Applicant.

Surname:

First names in full:

Identity number:

Capacity [Parent / Guardian]:

Signature:
APPLICATION FORM FOR BLACK GROUPS TO SUBSCRIBE FOR SHARES IN KHULA SIZWE

All capitalised terms used in this Application Form are defined on pages 17 to 26 of the Prospectus (Definitions and Interpretation). This Application Form forms part of the Prospectus which was registered by the Registrar of Companies on [1 April] 2019 and must be read in conjunction with it.

Applications submitted after 16:00 on 31 May 2019 will be disregarded.

This Application Form, in substantially the same form, can only be completed Online or through the Call Centre and will constitute an acceptance of the Public Offer by a Black Participant agreeing to subscribe for the Khula Sizwe Shares set out therein.

Instructions:

1. You may only apply to participate if you qualify to participate in the Public Offer.

2) The following options are available to all Applicants to complete an Application Form:

a. Online: Applicants may visit the website www.barloworldkhulasizwe.com to create an Investor profile and complete the Application Form Online. After your Investor Profile has been created you will be sent an SMS with a unique Investor Number (KS#) which must thereafter be used with respect to all communications with Khula Sizwe. Applicants may only complete this Application Form Online; or

b. Call Centre: Applicants may call the Call Centre on 0800 233 733 (toll-free number) to create an Investor profile and complete the Application Form. After your Investor Profile has been created you will be sent an SMS with a unique Investor Number (KS#) which must thereafter be used with respect to all communications with Khula Sizwe;

3. Every Applicant must submit all supporting documents contemplated in step 2 commencing on page 4 of the Prospectus.

4. All supporting documents must be uploaded Online or emailed to applications@barloworldkhulasizwe.com.

5. Before completing the application process, read the Prospectus and, in particular, the details of the Public Offer (Refer to Section 2 of the Prospectus commencing on page 39).

6. Applications for Khula Sizwe Shares under the Public Offer are irrevocable and may not be withdrawn once received by or on behalf of Khula Sizwe, unless Khula Sizwe issues, registers and publishes a supplement to the Prospectus, in which event applications made prior to the date of issue or publication of the supplement may be withdrawn on written notice to Khula Sizwe (in the case of applications under the Public Offer) within 20 Business Days after the date of issue or publication.

7. The minimum subscription required for participation by a Applicant in the Public Offer is 250 Khula Sizwe Shares at R10 per Khula Sizwe Share, which amounts to a minimum subscription payment of R2 500.

8. Please ensure you have read the terms and conditions of the Public Offer as set out in Section 2 of the Prospectus commencing on page 39.

9. If you are unsure as to the correct way to complete the Application Form Online or do not have online access, please contact the Call Centre on 0800 233 733 (toll-free number).

10. After your Application Form and supporting documentation have been processed you will be sent an SMS with a payment instruction. Use your unique Investor Number (KS#) as a reference on all payments. Use the account details on the payment instruction to make payment before 16:00 on 31 May 2019. Whatever amount you (or other persons) deposit into the Barloworld Khula Sizwe bank account, will constitute an offer by you to subscribe for Khula Sizwe Shares up to that amount. This amount will be used, if you are successful with your application, to subscribe for as many Khula Sizwe Shares as possible (in multiples of R10) up to the maximum number of Khula Sizwe Shares allocated to you and any excess amount will be refunded to you, without any interest, as provided for in the Prospectus. Please note that refunds are subject to Applicants having complied with FICA and their bank account details being verified.

11. If you make a mistake when completing your Application Form or your details have changed after completing the Application Form (created and submitted through the above channels), you will need to login to update your details Online or call the Contact Centre to update the details. You will be required to provide all supporting documentation before your changes are effected.

12. Khula Sizwe is entitled to verify your details (for BEE, FICA and other purposes) and you are obligated to assist in such verification promptly when requested to do so.

13. BEE, FICA and other supporting documents submitted must be certified as a true copy of the original (which can, for example, be done at any South African Police Station). Please refer to the supporting documents contemplated in Annexure 7 of the Prospectus commencing on page 134.

If you have any questions regarding the Application Form, please call the Call Centre on 0800 233 733 (toll-free number).
**BLACK GROUP DETAILS**

Black group category

- [ ] Company
- [ ] Partnership
- [ ] Trust
- [ ] Close Corporation
- [ ] Other unincorporated entity or association

Black Group name (registered name for companies, close companies and trusts):

Black Group trading name (if the trading name differs to the registered name):

Registration number (companies and close corporations)/Trust Number (trusts):

Are you any one of the following (as defined):

- [ ] Black Employee Share Ownership Scheme (ESOP)
- [ ] Black Broad-Based Ownership Scheme (BBOS)
- [ ] Black Co-operative
- [ ] N/A

Tax reference number, if available:

Suburb:   City/town:

Postal code:

Physical address:

Suburb:   City/town:

Postal code:

Address where notices must be served:

Postal address/ residential address

**BEE OWNERSHIP**

Please provide the following details using the *flow-through principle* according to the Codes ([www.thedti.gov.za](http://www.thedti.gov.za)).

51% or more black ownership (i.e. economic interest and voting rights) (using the flow-through principle) or BEE Owned and Controlled, as defined:

<table>
<thead>
<tr>
<th>YES/NO/UNCERTAIN</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Black economic interest percentage*</td>
<td>%</td>
</tr>
<tr>
<td>Black exercisable voting rights percentage*</td>
<td>%</td>
</tr>
<tr>
<td>Black women ownership economic interest percentage (if known)</td>
<td>%</td>
</tr>
<tr>
<td>Black women exercisable voting rights percentage (if known)</td>
<td>%</td>
</tr>
</tbody>
</table>

Before applying for shares in Khula Sizwe, have you held equity instruments in any other entity (including non-BEE entities) which have a total value of more than R50 million, measured using a standard valuation method?

<table>
<thead>
<tr>
<th>YES/NO/UNCERTAIN</th>
</tr>
</thead>
</table>

Is the combined shareholding of black designated groups and/or black new entrants equal to or higher than 5% (if known)

<table>
<thead>
<tr>
<th>YES/NO/UNCERTAIN</th>
</tr>
</thead>
</table>

* **Compulsory fields**

**BEE OWNERSHIP CERTIFICATE REQUIREMENTS** (Only compulsory for Black Group with annual revenue in excess of R50 million or Black Groups that are listed on a stock exchange)

Name of Valid BEE Verification Agency who issued your Valid BEE Ownership Certificate:

Expiry date of Valid BEE Ownership Certificate:

Issue Date of Valid BEE Ownership Certificate:

Date Not older than 12 months

**CONTACT DETAILS FOR THE AUTHORISED REPRESENTATIVE OF THE BLACK GROUP**

Email address:

Cell phone number:

Work number:

Suburb:   City/town:

Postal code:

Physical address:

Suburb:   City/town:

Postal code:

Please note that the authorised representative will only receive communications by SMS with respect to the status of the Black Group's application and will not be able to reply to those SMSes. By signing this Application Form you agree to receiving regular status updates by SMS. If there are any queries with respect to any SMS received by the authorised representative, the authorised representative will need to call the Call Centre.

Please ensure that the authorised representative is able to be contacted on the cell phone number provided during the Offer Period and for 120 days thereafter. If that cell phone number changes during this time, the authorised representative will need to login to update the contact details or call the Call Centre to update the details.
BANK ACCOUNT DETAILS FOR APPLICANT (South African bank account denominated in South African Rand ONLY)

Name of bank account holder: ____________________________

Bank name: ____________________________

Bank account number: ____________________________

Branch code: ____________________________

Account type: 
☐ Cheque/Current  ☐ Savings

Please note that all refunds, dividends and other payments will be made in South African rand to the above bank account which must be in the Applicant’s name. Refunds, dividends and other payments will not be made in foreign currency, into foreign bank accounts or to any person or bank account other than to the Applicant’s bank account above. Accordingly, if any person makes any payments on behalf of the Applicant or otherwise into the Barloworld Khula Sizwe bank account using your unique Investor Number (KS#), all refunds and dividends will be paid to the Applicant and not to that person. You hereby agree to indemnify Khula Sizwe, Barloworld and their advisers and service providers in respect of any claims made by any person who made any payment on your behalf or otherwise into the Khula Sizwe bank account using your unique Investor Number (KS#).

DECLARATION AND AGREEMENT:

To: Khula Sizwe Property Holdings (RF) Limited

By agreeing to the terms and conditions of and submitting this Application Form:

☐ We represented by the undersigned representatives, confirm to Khula Sizwe that we have full legal capacity and are duly authorised to contract and, having read and understood the Prospectus, hereby irrevocably apply for the number of Khula Sizwe Shares; provided that if a supplement to the Prospectus is issued, we shall be entitled to withdraw the application on written notice to Khula Sizwe within 20 business days after the date of publication of the supplement in the circumstances set out in the Prospectus.

☐ We warrant to Khula Sizwe that we are a Black Group (as defined in the Prospectus) and that all of the information provided by us in this Application Form (including all supporting documents) is true and correct in all respects.

☐ We acknowledge to Khula Sizwe that we were at the time of making this application, in possession of a copy of the Prospectus or we are aware of the Prospectus and its contents including the various restrictions that are imposed upon the Disposal and/or Encumbrance of Khula Sizwe Shares as set out in the Prospectus. We undertake to Khula Sizwe and Barloworld that, if Khula Sizwe Shares are issued to us, we will comply with the terms of the Khula Sizwe MOI, the custody arrangements, to the extent applicable including all the restrictions contained in the Khula Sizwe MOI. We understand that if we contravene these restrictions and/or breach any of the terms we may have action taken against us which may result in us losing any benefit which we would otherwise have had in our investment in Khula Sizwe.

☐ We authorise Khula Sizwe or any relevant third party to obtain confirmation or additional information from an authorised bureau and is entitled to verify my details and that we are obliged to assist in such verification promptly when requested to do so.

☐ We acknowledge that Khula Sizwe will rely on the truthfulness and completeness of the information provided and statements made by me when making its decision to issue Khula Sizwe Shares to us.

☐ If we have delivered a Valid BEE Ownership Certificate as part of the application process, we confirm that our ownership structure has not changed after obtaining such certificate and that the information recorded therein remains true and correct in all material respects.

☐ By agreeing to be bound by the terms and conditions and submitting this Application Form, we confirm that the details contained in this Application Form and in our supporting documents are true and correct. Once we have submitted this Application Form, we will not be able to claim later that the details that we have included in this Application Form and in our supporting documents were not true and correct when we provided this Application Form or the supporting documents. Khula Sizwe and/or Barloworld or other persons may also have claims and rights against us because of the details that we put in this Application Form, AND PROVIDING FALSE INFORMATION COULD BE A CRIMINAL OFFENCE.

☐ By submitting this Application Form you:

1. agree to: (i) the sharing of the information contained herein between Velocity, Khula Sizwe, Barloworld, the Custodian, the Participants, the Transfer Secretary, Strate and any other applicable third party for the purposes of facilitating and implementing the Public Offer/and your subsequent holding of shares in Khula Sizwe; and (ii) the use, process and/or transfer of the information contained herein, including intra-group transfers, transfers across a country border and transfers to entities in countries that do not provide statutory protections for personal information; and

2. confirm your acceptance of (and agreement to) the extent applicable, the terms and conditions of the website, which can be found at www.barloworldkhulasizwe.com.

☐ We hereby confirm that we have read, understood and accept all the aspects of Velocity Terms and Conditions and agree and undertake that we will be bound by all of the provisions of the Velocity Terms and Conditions and that all the terms thereof will be enforceable against us by the relevant parties.

RISK DISCLOSURE STATEMENT

☐ I confirm that I have read, understood and accept all aspects of the Risk Disclosure.

THE INFORMATION IN THIS RISK DISCLOSURE STATEMENT IS GENERAL INFORMATION ONLY AND DOES NOT TAKE INTO ACCOUNT YOUR PERSONAL OBJECTIVES, FINANCIAL SITUATION AND NEEDS. YOU SHOULD CONSIDER THESE THINGS AND SEEK INDEPENDENT PROFESSIONAL ADVICE BEFORE MAKING A DECISION ABOUT INVESTING.
YOU MUST BE SATISFIED THAT ANY INVESTMENT YOU UNDERTAKE IS APPROPRIATE IN VIEW OF YOUR OBJECTIVES, FINANCIAL SITUATION AND NEEDS. IF YOU WISH TO PURCHASE SHARES IN KHULA SIZWE PROPERTY HOLDINGS (RF) LIMITED (“KHULA SIZWE”), YOU ARE REQUIRED TO AGREE TO THE TERMS AND CONDITIONS OF THE APPLICATION FORM.

You should be aware of the following points:

- All shareholding investments are exposed to a degree of risk.
- Market fluctuations may have an effect on the value, price or income of investments.
- Investment capital is not guaranteed, and past performance is not a guide to future investment performance. If the company is doing well, it will pay shareholders dividends. There is no guarantee that dividends will be paid.
- You should read all available information as regards your investment including, but not limited to, terms and conditions and the “frequently asked questions” in order to properly consider your risks.
- You should carefully consider whether your financial position permits you to invest in shares.
- You should carefully consider whether an investment in shares is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.
- Before investing, you should be aware of tax consequences and on this you should consult your lawyer, accountant or other tax adviser.
- You must ensure that you fully understand the risks involved in owning shares before you invest.

MARKET VOLATILITY

Markets are subject to many influences which may result in rapid fluctuations and reflect unforeseen events or changes in conditions. Market volatility can be the result of a number of factors such as unexpected news or previously unknown data being released into the marked (e.g. news of terrorist attacks, revaluation of a currency, geopolitical upheaval or natural disasters).

PRIVACY NOTICE

☐ I confirm that I have read, understood and accept all aspects of the Privacy Notice.

Privacy notice: Khula Sizwe is collecting your personal information from you and its address is 61 Katherine Street, Sandown, Sandton, 2196. The nature of the personal information collected relates to your personal contact details, your race, your citizenship, your country of residence, your tax number, certain financial details, whether you are disabled or unemployed, your age. Velocity is collecting this information on Khula Sizwe’s behalf. In the declaration and agreement below we ask for your consent to Khula Sizwe and Velocity processing your personal information. Your personal information is being collected so that if your application to subscribe for shares in Khula Sizwe is successful, Khula Sizwe can facilitate and implement your participation in the Public Offer. FICA also requires Khula Sizwe to collect your personal information. Providing your personal information to Khula Sizwe is mandatory, and if you do not provide the information requested, your application to subscribe for shares will be declined. Your personal information will be shared with Velocity, Khula Sizwe, Barloworld, the Participants and the Transfer Secretary, Strate and any other applicable third party for the purposes of facilitating and implementing the Public Offer and your subsequent holding of Khula Sizwe Shares. You have the right to access your personal information, the right to correct your personal information, and the right to object to the processing of your personal information. Please see the website – www.barloworldkhulasizwe.com for contact details.

☐ The terms set out above are summary in nature and do not substitute or limit the full terms applicable to Applications and the Public Offer which are set out in the Prospectus and to which you are bound by submitting this Application Form.

Dated
Place

AUTHORISED REPRESENTATIVE 1
Title:
Surname:
First name/s (as per identity document):
Initials:
Identity number:
Signature:
Capacity:

AUTHORISED REPRESENTATIVE 2 (if applicable)
Title:
Surname:
First name/s (as per identity document):
Initials:
Identity number:
Signature:
Capacity:
CORPORATE INFORMATION AND ADVISERS

Company Secretary and Registered Office
Barloworld Trust Company
(Registration Number 1964/004845/07)
61 Katherine Street, Sandown
Sandton
2146
(PO Box 782248, Sandton, 2146)

Corporate Adviser to Khula Sizwe
Tamela Holdings Proprietary Limited
(Registration number 2008/011759/07)
Ground Floor, Golden Oak Building
Ballyoaks Office Park
35 Ballyclare Drive
Bryanston
2021
(PO Box 379, Morningside, 2057)

Arranger and Funder to Khula Sizwe
Nedbank Corporate and Investment Banking,
Property Finance Division, a
Division of Nedbank Limited
(Registration number 1951/000009/06)
2nd Floor, Block F, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandton
2196
(PO Box 1144, Johannesburg, 2000)

Corporate Adviser and Transaction Sponsor to Barloworld
Tamela Holdings Proprietary Limited
(Registration number 2008/011759/07)
Ground Floor, Golden Oak Building
Ballyoaks Office Park
35 Ballyclare Drive
Bryanston
2021
(PO Box 379, Morningside, 2057)

Independent Property Valuer to Barloworld
Broll Valuation and Advisory Services (Pty) Ltd
(Registration number 1968/003515/07)
61 Katherine Street
Sandown
2146
(PO Box 1455, Saxonwold, 2132)

Independent Registered Auditors to Khula Sizwe
SizweNtsalubaGobodo Grant Thornton Inc
(Registration number 2005/034639/21)
20 Morris Street
Woodmead
Bryanston
2192
(PO Box 2939, Saxonwold, 2132)

Legal Adviser to Khula Sizwe
Poswa Incorporated
(Registration number 2009/020829/21)
1st Floor Block A, Sandton Close 2
Corner 5th St & Norwich Close
Sandton
2196
(Postnet Suite 128, Private Bag x9 Benmore, 2010)

Share Administration Agent
Velocity Trade Financial Services Proprietary Limited
(Registration number 2010/010415/07)
1st Floor, 200 on Main,
200 Main Road, Claremont
Cape Town
7708

Legal Adviser to Barloworld
Dentons
(Registration number 2012/184204/21)
114 West Street
Sandton, 2031
(PO Box 783969, Sandton, 2146)

Custody Agent
Velocity Nominees (RF) Proprietary Limited,
a wholly owned subsidiary of Velocity Trade
(Registration number 2010/015205/07)
1st Floor, 200 on Main,
200 Main Road, Claremont
Cape Town
7708