

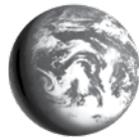
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* throughout this Circular including the cover page.

If you are in any doubt as to the action you should take, please consult your accountant, attorney, Broker, Participant or other professional adviser.

1. Shareholders of Barloworld are referred to page 2 of this Circular, which contains full details of the action required of them in regard to this Circular.
2. If you have disposed of all your Shares, please forward this Circular to the purchaser of such Shares or to the agent, Broker or Participant through whom the disposal was effected.

Barloworld does not accept responsibility, and will not be held liable, for any action of, or omission by, any Broker or Participant including, without limitation, any failure on the part of the Broker or the Participant of any beneficial owner of Barloworld Shares to notify such beneficial owner of the details set out in this Circular.



Barloworld

Leading brands

BARLOWORLD LIMITED

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

CIRCULAR TO BARLOWORLD SHAREHOLDERS AND PREFERENCE SHAREHOLDERS

Regarding a B-BBEE Transaction incorporating:

- the approval of the Specific Issue of Shares to the Foundation which, following their issue, will constitute 3% of the issued share capital of Barloworld;
- the approval of the Specific Repurchase from the Foundation;
- the approval of the Sale for the Disposal Consideration, by Barloworld, being categorised as a category 2 related party transaction (including the assignment by the operation of law of the Property Lease Agreements); and
- the approval of the Financial Assistance to be provided by Barloworld in connection with the B-BBEE Transaction,

and incorporating:

- a notice of the General Meeting (including the related resolutions); and
- a form of proxy (blue) for completion by Certificated Shareholders and own-name Dematerialised Shareholders.

Corporate Adviser and
Transaction Sponsor



Independent Reporting
Accountants and Auditors



Independent
Expert



Independent Property
Valuer



Legal Adviser to
Barloworld



Financial Adviser to the BEE
Participants



Legal Adviser to
the BEE Participants



Sponsor



Date of issue: 18 December 2018

Copies of this Circular are available in English only and may be obtained during normal business hours between Tuesday, 18 December 2018 and Thursday, 14 February 2019 from the registered office of Barloworld, the address of which is set out in the "Corporate Information" section hereof.

CORPORATE INFORMATION

Directors

DB Ntsebeza (Chairman)[#]
DM Sewela (Group Chief Executive Officer)*
DG Wilson (Finance Director)*
O Ighodaro (Executive Director and CFO designate)^{**1/2}
NP Dongwana[#]
FNO Edozien^{#1}
OI Shongwe[#]
SS Ntsaluba[#]
SS Mkhabela[#]
HH Hickey[#]
P Schmid[#]
M Lynch-Bell^{#2}
NP Mnxasana[#]

^{*}Executive

[#]Independent Non-Executive

¹Nigerian

²British

[^]Appointed 1 October 2018

Date and Place of Incorporation: 29 August 1918,
South Africa

Website: www.barloworld.com

Corporate Adviser and Transaction Sponsor

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)

Company Secretary and Registered Office

Andiswa Thandeka Ndoni
B.Proc., LLB, Global Executive Development Programme
61 Katherine Street, Sandown
Sandton, 2196
(PO Box 782248, Sandton, 2146)

Transfer Secretaries – South Africa

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

Receiving Agent – Namibia

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

Registrars – United Kingdom

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

Independent Reporting Accountants and Auditors

Deloitte & Touche
(Practice number 902276-0001)
Deloitte Place, The Woodlands
20 Woodlands Drive
Woodmead
Sandton, 2196
(Private Bag X6, Gallo Manor, 2052)

Legal Adviser to Barloworld

Dentons
(Registration number 2012/184204/21)
114 West Street
Sandton, 2031
(PO Box 783969, Sandton, 2146)

Independent Property Valuer

Roger Hunting, in his capacity as a director of Broll Valuation and Advisory Services Proprietary Limited
MRICS Dip T.P. MIV(SA)
Professional Valuer No 115.
Broll Valuation and Advisory Services Proprietary Limited
(Registration number 1968/003515/07)
61 Katherine Street
Sandown, 2196
(PO Box 1455, Saxonwold, 2132)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2193
(Private Bag x600500, Houghton, 2041)

Basis Points Capital Proprietary Limited
(Registration number 2007/025336/07)
2nd Floor, ERIS Group Building
3 Gwen Lane
Sandton, 2196
(PO Box 2036, Sunninghill, 2157)

Legal Adviser to the BEE Participants

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)

Financial Adviser to the BEE Participants

Identity Advisory Proprietary Limited
(Registration number 2016/117909/07)
21 Fricker Road
Illovo
Sandton
South Africa, 2196
(PO Box 40, Melrose Arch, 2076)

Sponsor

Nedbank Corporate and Investment Banking, a division of
Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

CERTAIN FORWARD-LOOKING STATEMENTS

This Circular contains statements about Barloworld and/or the Barloworld Group that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “**believe**”, “**aim**”, “**expect**”, “**anticipate**”, “**intend**”, “**foresee**”, “**forecast**”, “**likely**”, “**should**”, “**planned**”, “**may**”, “**estimated**”, “**potential**”, “**prospects**”, “**outlook**” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Barloworld cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Barloworld operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by Barloworld, as communicated in publicly available documents by Barloworld, all of which estimates and assumptions, although Barloworld believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Barloworld or not currently considered material by Barloworld.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Barloworld not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Barloworld has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

ACTION REQUIRED BY SHAREHOLDERS

Please take careful note of the following:

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this section.

If you are in any doubt as to what action to take in regard to this Circular, please consult your accountant, attorney, banker, Broker, Participant or other professional adviser immediately.

If you have disposed of all of your Barloworld Shares, this Circular should be handed to the purchaser of such Barloworld Shares or to the Broker, Participant, banker, attorney or other agent through whom the disposal was effected.

This Circular contains information relating to the B-BBEE Transaction. You should read this Circular carefully and decide how you wish to vote on the resolutions to be proposed at the General Meeting.

GENERAL MEETING

The General Meeting will be held at 180 Katherine Street, Sandton, 2196, on Thursday, 14 February 2019 at 14:00.

ACTION REQUIRED BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

You are entitled to attend in person, or be represented by proxy, at the General Meeting.

A form of proxy (blue) is attached for the convenience of Certificated Shareholders and own-name Dematerialised Shareholders who are unable to attend the General Meeting, but who wish to be represented thereat. In order to ensure validity, duly completed forms of proxy (blue) must either be returned to the:

- (a) Transfer Secretaries, so as to reach them by no later than the Relevant Time at their addresses, as provided in the Corporate Information section of this Circular, or by facsimile to 0866742450 or by email to Meetfax@linkmarketservices.co.za; or
- (b) chairperson of the General Meeting (by physical delivery to the Company at the location of the General Meeting) so as to reach him by no later than immediately prior to the commencement of voting on the resolutions at the General Meeting.

Registered holders of Certificated Shares that are Preference Shares and holders of Dematerialised Shares that are Preference Shares with own-name registration may attend the General Meeting but may not vote on any resolutions proposed thereat.

ACTION REQUIRED BY DEMATERIALISED SHAREHOLDERS OTHER THAN THOSE WITH OWN-NAME REGISTRATION

The Broker or Participant, as the case may be, of the Dematerialised Shareholders, other than those with own-name registration, should contact such Dematerialised Shareholders to ascertain how they wish their votes to be cast at the General Meeting and thereafter cast their votes in accordance with their instructions. If such Dematerialised Shareholders have not been contacted, it is recommended that they contact their Broker or Participant, as the case may be, to advise them as to how they wish their votes to be cast.

Dematerialised Shareholders, other than those with own-name registration, who wish to attend the General Meeting, must request a letter of representation from their Broker or Participant, as the case may be, but must not complete the attached form of proxy.

Barloworld does not accept any responsibility and will not be held liable for any failure on the part of the Broker or Participant (as the case may be) of a Dematerialised Shareholder to notify such Dematerialised Shareholder of the details of this Circular.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call. Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice (with identification) to the Company at 61 Katherine Street, Sandton, 2196 (marked for the attention of the company secretary of Barloworld) by no later than Monday, 11 February 2019 that they wish to participate via electronic communication at the General Meeting. Barloworld's company secretary will provide the dialling code and pin number. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the General Meeting. Access by means of electronic communication will be at the expense of Barloworld.

IDENTIFICATION OF MEETING PARTICIPANTS

In terms of section 63(1) of the Companies Act, before any person may attend or participate in a Shareholders' meeting, that person must present reasonable satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder, or as a proxy of a Shareholder, has been reasonably verified through a South African identification document, passport or driver's license.

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IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this section.

2018	
Record Date for the distribution of the Circular	Friday, 7 December
Circular, including the Notice of General Meeting, distributed on	Tuesday, 18 December
Publication of Circular, including Notice of General Meeting, on Barloworld's website at www.barloworld.com	Tuesday, 18 December
Publication of announcement of General Meeting on SENS	Tuesday, 18 December
2019	
Last day to trade to be eligible to vote at the General Meeting	Tuesday, 5 February
Record Date to be eligible to vote	Friday, 8 February
Last day to deliver written notification to participate in the General Meeting via electronic communication	Monday, 11 February
Last day for receipt of forms of proxy for the General Meeting by 14:00 (or they may be handed to the chairperson of the General Meeting at any time prior to the commencement of voting on the resolutions tabled at the General Meeting)	Tuesday, 12 February
General Meeting to be held at 14:00 on	Thursday, 14 February
Results of the General Meeting released on SENS on	Friday, 15 February
Results of the General Meeting published in the press on	Monday, 18 February

Notes:

1. The above dates and times are subject to amendment and any amendment made will be released on SENS and published in the press.
2. Shareholders should note that as transactions in Shares are settled via the electronic settlement system used by Strate, settlement of trades takes place 3 Business Days after such trade. Therefore, Shareholders who acquire Shares after Tuesday, 5 February 2019 will not be eligible to participate in and vote at the General Meeting.
3. All times given are South African local times.
4. If the General Meeting is adjourned or postponed, forms of proxy submitted for the General Meeting will remain valid in respect of any adjournment or postponement thereof.
5. No instructions to dematerialise or rematerialise Shares will be processed from Wednesday, 6 February 2019 to Friday, 8 February 2019, both days inclusive.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless a contrary intention clearly applies, words importing the singular include the plural and *vice versa*, any one gender includes the other genders, natural persons include juristic persons and *vice versa* and the following terms bear the meanings assigned to them below:

“Barloworld” or “the Company”	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” or “Group”	Barloworld and its South African subsidiaries, from time to time, and “Group Company” has a corresponding meaning;
“Barloworld Internal Restructure”	the internal restructure to be undertaken by the 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 2.2 of this Circular;
“Barloworld Lease Guarantee”	a lease guarantee provided by Barloworld in favour of Propco, in terms of which Barloworld guarantees the Lessees’ rental payment obligations to Propco 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 MOI”	the Memorandum of Incorporation of the Company;
“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” or “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” or “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 Listing”	the admission to listing of the Propco Shares as B-BBEE Securities on the B-BBEE Segment of the main board of the JSE or such other licensed exchange as Propco may elect in its sole and absolute discretion;
“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 Sale, 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);
“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 trust, 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 People” or “Black Person”	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;
“Black Public Scheme” or “Public Offer”	an offer to the public in terms of which Black People and Black Groups will be invited to subscribe for Propco Shares as described in paragraph 2.9 of this Circular;
“Board” or “the Directors”	the directors of Barloworld as set out in the Corporate Information section of this Circular;
“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;
“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;
“Circular”	this circular to Shareholders, dated Tuesday, 18 December 2018, 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;
“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 conditions precedent to the B-BBEE Transaction as more fully described in paragraph 3 of this Circular and Annexure 9 to this Circular;
“Corporate Adviser and Transaction Sponsor”	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;
“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;

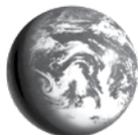
“Dematerialised Shares”	shares that have been Dematerialised through a Broker or Participant and are recorded in an uncertificated securities register forming part of Barloworld’s securities register;
“Disposal Consideration”	R2.722 billion, being the aggregate consideration payable by Propco to Barloworld for the Properties under the Property Sale Agreement;
“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;
“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 million to be made by Barloworld to the Employee Trust to fund the subscription by the Employee Trust for its 32% interest in Propco, as more fully described in paragraph 2.8 of this Circular;
“Employee Trust Contribution Agreement”	the written agreement between Barloworld and the Employee Trust, dated 16 November 2018, 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 Propco, dated 16 November 2018, in terms of which the Employee Trust subscribes for Propco Shares equating to approximately 32% of Propco’s issued share capital;
“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 Propco Shares fall away;
“External Funder”	a bank or other financial institution acceptable to Barloworld;
“External Loan”	the loan to be provided by the External Funder to Propco as contemplated in terms of the term sheet as partial funding to Propco of the payment of the Disposal Consideration under the Property Sale Agreement, as referred to in paragraph 2.5.1 of this Circular;
“Financial Adviser to the BEE Participants”	Identity Advisory Proprietary Limited (Registration number 2016/117907/07), a private company with limited liability duly incorporated and registered in accordance with the laws of South Africa;
“Financial Assistance”	the financial assistance as contemplated by Section 44 and Section 45 of the Companies Act, to be given by Barloworld in respect of the B-BBEE Transaction including, <i>inter alia</i> , in terms of the Employee Trust Contribution Agreement, the Management Trust Loan, the Foundation Trust Deed, the Property Sale Agreement, the Property Lease Agreements and the Barloworld Lease Guarantee;
“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 in terms of the Specific Issue of Shares 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;
“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 Propco on 16 November 2018, 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 to be held at 14:00 on Thursday, 14 February 2019, at 180 Katherine Street, Sandton, 2196, Johannesburg, South Africa, for the purpose of considering and, if deemed fit, passing the resolutions set out in the Notice of General Meeting forming part of this Circular;
“GLA”	the gross lettable area measured in m ² , 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;
“IFRS”	International Financial Reporting Standards;
“IFRS 2”	IFRS 2 Share-based Payment;
“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 Propco, 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;
“Income Tax Act”	Income Tax Act, 1962 (Act 58 of 1962), as amended from time to time;
“Independent Expert”	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a private company with limited liability duly registered and incorporated in accordance with the laws of South Africa and Basis Points Capital Proprietary Limited (Registration 2007/025336/07), a private company with limited liability duly registered and incorporated in accordance with the laws of South Africa;
“Independent Fairness Opinion”	the fairness opinion of the Independent Expert reproduced in Annexure 2 to this Circular;
“Independent Reporting Accountants and Auditors”	Deloitte & Touche (Practice number 902276-0001), 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 Circular;
“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) 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;

“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;
“Labour Relations Act”	the Labour Relations Act, 1995 (Act 66 of 1995), as amended from time to time;
“Last Practicable Date”	Wednesday, 5 December 2018, being the last practicable date for inclusion of information prior to the finalisation of this Circular;
“Lease/s”	the leases in relation to each Property initially between Barloworld and the Lessees, under which leases Propco will become the lessor pursuant to the Sale as set out in the Property Lease Agreements;
“Legal Adviser to Barloworld”	Kapdi Twala Incorporated (Registration number 2012/184204/21), trading as Dentons, a personal liability company duly incorporated and registered in accordance with the laws of South Africa;
“Legal Adviser to the BEE Participants”	Poswa Incorporated (Registration number 2009/020829/21), a personal liability company duly incorporated and registered in accordance with the laws of South Africa;
“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 Propco, as more fully described in paragraph 2.7 of this Circular. Such loan may increase to a maximum of R370 million if the Black Public Scheme is reduced or terminated and the Management Trust comes to hold a maximum of 68% interest in Propco. 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, in terms of which Barloworld advances the Management Trust Loan to the Management Trust to enable the Management Trust to subscribe for Propco Shares;
“Management Trust Subscription Agreement”	the written agreement between the Management Trust and Propco, dated 16 November 2018, in terms of which the Management Trust subscribes for Propco Shares equating to approximately 38% of Propco’s issued share capital, up to a maximum of 68% if the Black Public Scheme is reduced or terminated;
“Material Contracts”	the Transaction Agreements and any other material contract of the Barloworld Group as disclosed in paragraph 8.6 of this Circular and Annexure 8 to this Circular;
“Minimum Subscription Amount”	the minimum subscription amount that must be raised by Propco pursuant to the Public Offer, being an amount of no less than R120 million, or such other amount as may be agreed in writing by Propco and Barloworld;

“Notice of General Meeting”	the notice convening the General Meeting which is attached to and forms part of this Circular;
“Own-name Registration”	Dematerialised Shareholders who have instructed their Participant to hold their Barloworld Shares in their own name on the uncertificated securities registers of Barloworld;
“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;
“Preference Shareholders”	a holder of Preference Shares from time to time;
“Preference Shares”	6% non-redeemable cumulative preference shares of R2.00 each in the share capital of Barloworld;
“Principal Executive Officer”	a prescribed officer as defined in the Companies Act;
“Propco”	Main Street 1646 Limited (Registration number 2018/546307/06), 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;
“Propco MOI”	the new memorandum of incorporation to be adopted by Propco giving effect to the requirements of the B-BBEE Transaction, in a form acceptable to Barloworld;
“Propco Shares”	ordinary shares of no-par value in the share capital of Propco with the rights and obligations set out in the Propco MOI;
“Propco Subscription Agreement”	a written agreement between Propco and Barloworld, dated 16 November 2018, in terms of which Propco agrees to subscribe for Barloworld Shares from time to time subject to any regulatory and/or shareholder approvals required at the time;
“Properties”	the immovable properties that are the subject of the B-BBEE Transaction, details of which are set out in Annexure 1 to this Circular;
“Properties’ Market Value”	an amount of R2.755 billion, being the market value of the Properties as determined by the Independent Property Valuer, as more fully set out in Annexure 1 to this Circular;
“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 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 Propco by operation of law pursuant to the transfer of ownership of the Properties to Propco in terms of the Property Sale Agreement;
“Property Sale Agreement”	the sale of properties and rental enterprise agreements between Propco and Barloworld, dated 16 November 2018, in terms of which Barloworld disposes of the Properties and its rights and obligations to the Property Lease Agreements are assigned to Propco;
“Property Sector Code”	the Amended Property Sector Code published in Government Gazette No 560, on 9 June 2017;
“Property Valuation Reports”	the reports, abridged (as reproduced in Annexure 1 to this Circular) or detailed as appropriate, prepared by the Independent Property Valuer in respect of the Properties;
“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;
“Record Date”	the record date in terms of section 59 of the Companies Act, by which a Shareholder is required to be recorded in the Company’s Register in order to be able to attend, participate and vote at the General Meeting;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant Participants;

“Related Party(ies)”	Propco and the Management Trust have been classified by the JSE as related parties in terms of paragraph 10.1 (b) (i), (ii), (iv) and (vii) of the JSE Listings Requirements, and are also being treated as related parties in the interest of transparency given that DM Sewela, the Group chief executive officer of Barloworld, and E Leeka and K Rankin, Principal Executive Officers of Barloworld, will collectively indirectly hold 7.20% of Propco (through their 18.95% beneficial interest in the Management Trust) and, along with the other Employees and Management of Barloworld, indirectly hold between 70% and 100% of Propco via the Management Trust together with the Employee Trust;
“Relevant Time”	48 hours before the time of the General Meeting;
“Sale”	the disposal by Barloworld of the Properties to Propco, as set out in the Property Sale Agreement;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“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;
“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 paragraph 2.4 of this Circular;
“Sponsor”	Nedbank Limited (acting through its Corporate and Investment Banking division) (Registration number 1951/000009/06), a public company duly registered and incorporated in accordance with the laws of South Africa;
“STEM”	science, technology, engineering and mathematics;
“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;
“Transaction Agreements”	the Framework Agreement, the Propco MOI, the Propco 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;
“Transfer Secretaries”	in South Africa: Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company with limited liability duly registered and incorporated in accordance with the laws of South Africa, in Namibia: Transfer Secretaries Proprietary Limited (Registration number 93/713), a private company duly registered and incorporated in accordance with the laws of Namibia, and in the United Kingdom: Equiniti Limited, the details of which are set out in the Corporate Information section of this Circular;
“Triple Net Lease”	a lease in terms of which the lessee pays all of the operating costs of the leased property;
“US”	United States of America;
“VAT”	Value Added Tax as contemplated in the Value-Added Tax Act, 1991 (89 of 1991), as amended from time to time; and
“VWAP”	volume weighted average price.



Barloworld

Leading brands

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

CIRCULAR TO BARLOWORLD SHAREHOLDERS AND PREFERENCE SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

1.1. Introduction

As was announced on SENS on Monday, 19 November 2018 and in the press on Tuesday, 20 November 2018, Barloworld intends to conclude a new B-BBEE Transaction which encompasses, *inter alia*:

- the Specific Issue of Shares to the Foundation, which, following their issue, will constitute 3% of the entire issued share capital of Barloworld;
- the Specific Repurchase from the Foundation of the Foundation Shares, in the future, in the event of a breach of any of the material obligations of the Transaction Agreements;
- the Sale of the Properties to Propco (a Black Company) for R2.722 billion, by Barloworld, being categorised as a category 2 related party transaction in terms of the JSE Listings Requirements (including the assignment by operation of law of the Property Lease Agreements); and
- the provision of Financial Assistance.

Barloworld, as a responsible corporate citizen, is supportive of South Africa's efforts to transform the racial profile of the economy. Barloworld's aim is therefore to conclude the B-BBEE Transaction that includes its staff, communities and the broader Black Public as participants.

The salient features of the B-BBEE Transaction include:

- the Specific Issue of Shares to the Foundation;
- the Sale of the Properties by Barloworld to Propco for the Disposal 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 Management to enable them to participate in the B-BBEE Transaction;
- the External Loan to Propco of up to 80% of the Disposal Consideration; and
- the Public Offer by Propco to the Black Public.

Prior to the Sale and as a condition precedent to the Property Sale Agreement, Barloworld will undertake the Barloworld Internal Restructure, which does not require Shareholder approval as:

- the majority of the 64 Properties are currently owned by wholly-owned Barloworld Subsidiaries and exempted in terms of paragraph 9.1(c)(iii) of the JSE Listings Requirements; and
- the remaining 4 properties are subject to financing arrangements which will be fully settled ahead of transfer. The aggregate value of these 4 properties amounts to R197 million (in terms of the Independent Property Valuation) which equates to 0.79% of the market capitalisation of Barloworld of R24.9 billion as at 15 November 2018, being the last Business Day before the Transaction Agreements were signed, falls below the categorisation parameters of paragraph 9.5 of the JSE Listings Requirements.

1.2. **Related party**

The Sale constitutes a category 2 transaction in terms of the JSE Listings Requirements. Propco and the Management Trust have been classified by the JSE as related parties in terms of paragraph 10.1 (b)(i), (ii), (iv) and (vii) of the JSE Listings Requirements, and are also being treated as related parties in the interest of transparency given that Mr DM Sewela, the Group chief executive officer of Barloworld, and Messrs E Leeka and K Rankin, Principal Executive Officers of Barloworld, will collectively indirectly hold 7.20% of Propco (through their 18.95% interest in the Management Trust). Furthermore, the Management of Barloworld together with the Employees of Barloworld will hold between 70% and 100% of Propco. Therefore, the Sale and the Lease are being treated as related party transactions and related party agreements, respectively. The Financial Assistance is exempted in terms of paragraph 10.6(c)(v) and (vi) of the JSE Listings Requirements. As a result, Shareholder approval is being sought and an Independent Property Valuation as well as an Independent Fairness Opinion have been obtained (which are included in Annexure 1 and Annexure 2 to this Circular, respectively).

1.3. **Purpose of this Circular**

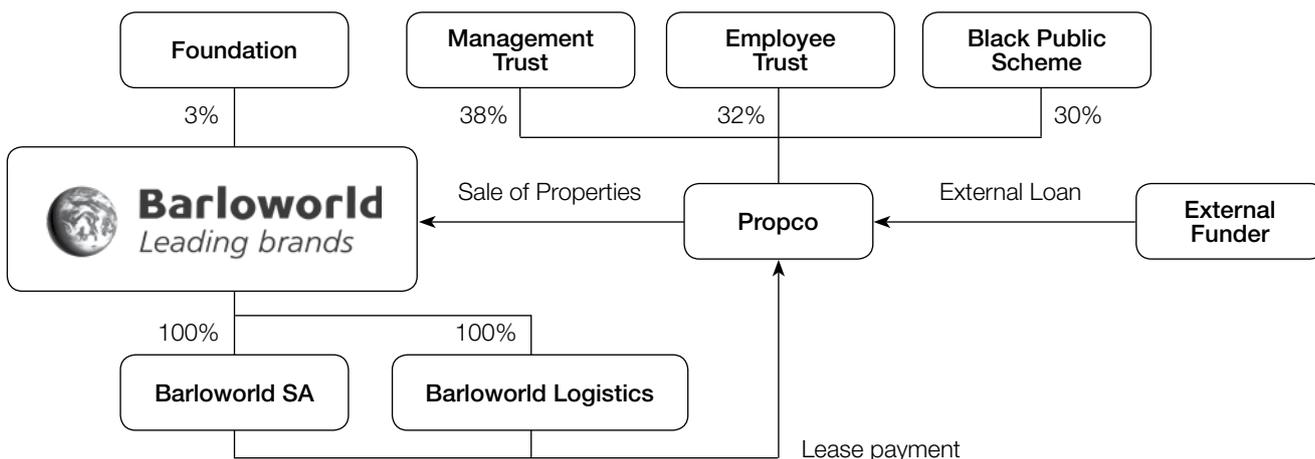
The purpose of this Circular is to provide Barloworld Shareholders with all the relevant information relating to the B-BBEE Transaction, in accordance with the JSE Listings Requirements and the Companies Act, and to convene a General Meeting in order for Barloworld Shareholders to consider and, if deemed fit, approve, with or without modification:

- the Specific Issue of Shares to the Foundation of 6 578 121 Barloworld Shares, which will, following their issue, constitute 3% of the entire issued share capital of Barloworld, in terms of paragraph 5.51 of the JSE Listings Requirements;
- the Specific Repurchase, in the future, in the event of a breach of any of the material obligations of the Transaction Agreements by the Foundation, in terms of paragraph 5.69(b) of the JSE Listings Requirements;
- the Sale in terms of section 10 of the JSE Listings Requirements;
- the Lease in terms of section 10 of the JSE Listings Requirements;
- the provision by Barloworld of financial assistance to related and inter-related parties being the Management Trust, the Employee Trust, the Foundation and/or Propco, to the extent that the Management Trust, the Employee Trust, the Foundation and/or Propco are related or inter-related parties to Barloworld, as well as to Barloworld’s subsidiaries in the form of the Barloworld Lease Guarantee for their payment obligations under the Property Lease Agreements, as contemplated in section 45 of the Companies Act; and
- the provision by Barloworld of financial assistance to the Foundation for the subscription by the Foundation for Barloworld Shares and for the provision by Barloworld of financial assistance to the Management Trust and the Employee Trust for their subscription for Propco Shares, to the extent that Propco is related or inter-related to Barloworld, as contemplated in section 44 of the Companies Act.

The Barloworld Internal Restructure will be implemented prior to the implementation of the B-BBEE Transaction and does not require Shareholder approval as explained in paragraph 1.1 of this Circular.

2. **THE B-BBEE TRANSACTION**

The B-BBEE Transaction has two main indivisible and inter-conditional components set out further below, being: the Specific Issue of Shares to the Foundation and the Sale of a portion of Barloworld’s South African property portfolio to a Black Company, Propco. The B-BBEE Transaction is depicted diagrammatically below (post the implementation of the Barloworld Internal Restructure and assuming the Black Public Scheme is implemented in full):



2.1. Rationale for the B-BBEE Transaction

Barloworld is committed to maintaining or improving its BEE Status as a business imperative to operating in South Africa. As a responsible corporate citizen, it is supportive of South Africa's efforts to transform the racial profile of the economy. Barloworld intends to conclude the B-BBEE Transaction which includes its staff, communities and the broader Black Public as participants. The proposed B-BBEE Transaction meets the following key objectives for Barloworld:

- **Long-term BEE:** the Sale of the Properties will confer BEE ownership points to Barloworld in terms of Statement 102 of the BEE Codes. In addition, the Foundation is contractually precluded from selling its Shares in Barloworld without the consent of Barloworld;
- **Broad-based participation:** it will include the Foundation, whose mandate will be poverty alleviation, education and youth development and advocacy, as more fully detailed in paragraph 2.3.2 of this Circular; and
- **Sustainable:** the property-backed component ensures predictability of cash flows and the Specific Issue of Shares to the Foundation at par value, will ensure that the B-BBEE Transaction creates a permanent empowerment legacy.

The B-BBEE Transaction will confer BEE ownership to Barloworld equivalent to 14% in terms of the BEE Codes which is made up of 3% from the Specific Issue of Shares to the Foundation and 11% from the Sale.

2.2. 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 Shareholder approval. The terms of the Barloworld Internal Restructure will be set out in the Internal Restructure Agreements.

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 Propco by operation of law, pursuant to the transfer of ownership of the Properties, in terms of the Property Sale Agreement.

2.3. The Specific Issue of Shares to the Foundation

2.3.1. Overview of the Specific Issue of Shares to the Foundation

Barloworld has established the Foundation which complies with the Broad-Based Ownership Scheme requirements in terms of Annexe 100 (B) and the Rules for Trusts in terms of Annexe 100 (D) of the BEE Codes for the purposes of carrying out the objectives listed in paragraph 2.3.2 of this Circular. In order to ensure that the Foundation is able to achieve its objectives, Barloworld is proposing that the Specific Issue of Shares to the Foundation be implemented at their par value of R0.05 per Share. 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.

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.

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 the Company. 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 Annexe 100 (B) and the Rules for Trusts in terms of Annexe 100 (D) of the BEE Codes.

Should the Foundation breach any of its material obligations under the Transaction Agreements to which it is a party, Barloworld will have a right to repurchase the Foundation Shares at their par value of R0.05 each. Approval for the Specific Repurchase, as more fully detailed in paragraph 2.4 of this Circular, is being sought in terms of this Circular, subject to certain undertakings which need only be fulfilled should Barloworld exercise this repurchase right.

The Shares, which are the subject of the Specific Issue of Shares to the Foundation, are of a class already in issue and will rank *pari passu* in every respect with the existing Shares in issue. The Foundation is a public

shareholder as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements. In terms of the JSE Listings Requirements, the Specific Issue of Shares to the Foundation must be approved by an ordinary resolution with a 75% majority of Barloworld Shareholders present and voting at the General Meeting at which the proposed Specific Issue of Shares to the Foundation will be considered and voted on.

The Foundation Shares will be issued on or about the Implementation Date after the fulfilment (or waiver, if applicable) of the Conditions Precedent. The aggregate volumes and value of Shares traded and the lowest and highest prices traded are disclosed in Annexure 7 to this Circular.

2.3.2. Background on the Foundation

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 underserved citizens who are currently largely excluded from the economy.

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 set out below:

– Beneficiaries and allocation principles

- the beneficiaries of the Foundation are qualifying persons who are accepted as beneficiaries of the Foundation;
- 100% of the distributions of the Foundation will be distributed to Black People;

– Allocations

In respect of any financial year of the Foundation, the aggregate maximum entitlement of each beneficiary group shall be determined in accordance with the allocation principles contained in the Foundation Trust Deed and apportioned to the qualifying categories set out below:

Qualifying category	Application	Percentage of the benefit	Allocation
Education	Programmes focusing on access to quality education with emphasis on improving STEM subjects at high school level	30%	80% Youth
	Teacher development programmes with emphasis on the STEM streams		60% Black female
Youth Development and Empowerment (Social Innovation)	Teacher development programmes with emphasis on the STEM streams	30%	10% Black people with disabilities
	Funding of youth programmes that give the youth:		100% Youth
	Access to tertiary education programmes		60% Black female
	Access to youth skills and leadership development programmes		10% Black people with disabilities
	Social entrepreneurship and social innovation programmes that resolve local community challenges including people living with disabilities		
Environment	Initiatives that ensure conservation and environment sustainability	5%	100% Black
Welfare/ Charity/ Humanitarian	Funding support for welfare and charitable organisations	20%	60% Black female
	Humanitarian and disaster relief support		30% Black people with disabilities

Qualifying category	Application	Percentage of the benefit	Allocation
Entrepreneurship	Financial and non-financial initiatives that promote entrepreneurship including, but not limited to the following: <ul style="list-style-type: none"> • Training • Mentoring • Collaboration 	15%	60% Black female 10% Black people with disabilities

– the trustees of the Foundation do not have any discretion in respect of the above.

– **B-BBEE Legislation compliance**

The trustees of the Foundation and Barloworld shall ensure that:

- the Foundation will at all times comply with the requirements of the B-BBEE Legislation, including the BEE Codes in respect of Broad-Based Ownership Schemes;
- at least 85% of the value of benefits allocated by the Foundation to its beneficiaries, accrues to Black People;
- the management fees (as that term is defined in the BEE Codes) of the Foundation shall not exceed 15% of the income of the Foundation in any year.

2.3.3. *Financial effects*

The *pro forma* financial effects of the Specific Issue of Shares to the Foundation, together with the other components of the B-BBEE Transaction, are reflected in paragraph 6 of this Circular and Annexure 5 to this Circular.

2.4. **The Specific Repurchase**

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. Consequently, approval is being sought at this time from Shareholders for the Specific Repurchase only for the specific circumstance of the Foundation being in breach of any of its material obligations as set out in the Transaction Agreements, including, *inter alia*:

- not to dispose of or encumber the Foundation Shares;
- to remain compliant with the BEE Codes, in particular Annexe 100 (B) and Annexe 100 (D) of the BEE Codes; and
- to utilise the distributions that it receives in respect of the Shares for the benefit of its beneficiaries, as more fully set out in the Foundation Trust Deed.

The ability of the Company to repurchase its Shares is authorised in terms of clause 4.6 of the Barloworld MOI. Special resolution number 1 contained in the Notice of General Meeting seeks approval for the Specific Repurchase subject to certain undertakings and a Board resolution that can only be fulfilled at the time of the Specific Repurchase, i.e. the Directors have undertaken that, at the time of the Specific Repurchase:

- the Company and all its Subsidiaries will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the Specific Repurchase;
- the assets of the Company and all its Subsidiaries will exceed the liabilities of the Company and all its Subsidiaries for a period of 12 months after the date of the Specific Repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the Company's latest audited annual financial statements which comply with the Companies Act;
- the Company and all its Subsidiaries will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the Specific Repurchase;
- the working capital of the Company and all its Subsidiaries will be adequate for ordinary business purposes for a period of 12 months after the date of the Specific Repurchase;
- the Company will publish a SENS announcement in compliance with the JSE Listings Requirements containing the details of the Specific Repurchase and working capital statement prescribed above;

- the Company and/or any of its Subsidiaries will not repurchase securities during a prohibited period, unless there is a repurchase programme in place where the dates and the quantities of securities to be traded during the relevant period are fixed, not subject to any variation, and has been submitted to the JSE in writing prior to the commencement of the prohibited period. Barloworld will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by Barloworld, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- a resolution by the Board that they have authorised the Specific Repurchase, that the Company and its Subsidiaries have passed the solvency and liquidity test (as set out in section 4 of the Companies Act) and that since the test was performed there have been no material changes to the financial position of any company of the Group.

Barloworld will utilise the free cash available at the time to undertake the Specific Repurchase.

The Specific Repurchase forms part of the B-BBEE Transaction and, as such, has been incorporated into the *pro forma* financial effects as disclosed in paragraph 6 of this Circular and Annexure 5 to this Circular (by way of a note) and in the Independent Fairness Opinion as disclosed in paragraph 4 of this Circular and Annexure 2 to this Circular. This is not specifically required in terms of paragraphs 5.69(e) and 11.23(i) of the JSE Listings Requirements given that the Foundation is not a related party to Barloworld under the JSE Listings Requirements, and the Specific Repurchase is not intended to be made at a premium to the 30-day VWAP prior to the date of the Specific Repurchase.

2.5. The Sale

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), as detailed in Annexure 1 to this Circular, to Propco, a Black Company, for the Disposal Consideration. Propco 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. Propco 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 Propco to ensure that over time it can add to its portfolio of properties.

As part of Barloworld's talent retention and attraction strategy, the Employees and Management will be indirect shareholders of Propco as beneficiaries of the Employee Trust (32%) and the Management Trust (38% or up to a maximum of 68% should the Black Public Scheme not be implemented in full), respectively. The Black Public will be offered 30% of Propco.

The Properties will be sold by Barloworld as a Qualifying Transaction, as contemplated under Statement 102 of the BEE Codes. Propco will be entitled, in its sole discretion, to dispose of any of the Properties, after the expiry of 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.

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 assign to Propco, 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 10th anniversary of the Implementation Date, with the Lessees having an option to extend the Leases for a further 5 years. Subject to the Property Lease Agreements, Propco shall not be precluded from leasing any property it holds to any third party.

The salient terms of the Sale are as follows:

- The Properties' Market Value is R2.755 billion;
- The Properties were valued on the basis of a year 1 yield of 9.00%
 - In order to facilitate the B-BBEE Transaction, a discount of 5% will be applied to the Properties' Market Value (adjusted for the R110 million development expenditure) i.e. the Disposal Consideration is R2.722 billion;
- The expected capital structure of the purchase of the Properties by Propco is circa 80% debt (from the External Funder) and 20% equity from Propco's shareholders:
 - Propco will raise R2.178 billion of the Disposal Consideration in the form of the External Loan from the External Funder;
 - Propco will raise the balance of the Disposal Consideration, approximately R544 million, in the form of equity, by issuing Propco Shares to the Management Trust, the Employee Trust and the Black Public.

Description	R
As-is Properties' Market Value (31 August 2018)	2 754 617 400
Development expenditure	110 310 000
Post development market value	2 864 927 400
Discount on post development market value (5%)	(143 246 370)
Disposal Consideration	2 721 681 030

2.5.1. Propco Funding

The table below sets out the sources of funding to discharge Propco's payment obligations in respect of the Disposal Consideration:

Sources of funding	R'm	%
External Loan	2 178	80.00%
Equity contribution from Public Offer	163	6.00%
Equity contribution from Management Trust	207	7.60%
Contributed by Senior Management	8	0.29%
Funded by Barloworld	199	7.32%
Equity contribution from Employee Trust (contributed by Barloworld)	174	6.40%
Total Sources	2 722	100.00%
Uses of funding	R'm	%
Acquisition of Barloworld Properties	2 722	100.00%
Total Uses	2 722	100.00%

Propco will raise the External Loan from the External Funder to the value of R2.178 billion equating to approximately 80% of the Disposal Consideration and the remaining R544 million, equating to approximately 20% of the Disposal Consideration via equity funding from its shareholders, being the Employee Trust, the Management Trust and the Black Public Scheme. Propco has received a term sheet from the External Funder for the External Loan. Barloworld will not provide any guarantee to the External Funder in respect of the funding provided to Propco.

Propco intends to raise a portion of its equity, approximately R163 million, via the Public Offer, as more fully set out in paragraph 2.9 of this Circular.

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 Propco as follows:

- The Employee Trust is required to pay a subscription price of circa R174 million for the Propco Shares in terms of the Employee Trust Subscription Agreement, which shares will, following their issue and the issue of Propco Shares to the Management Trust (as contemplated below) and the Black Public Scheme (see paragraph 2.9 of this Circular), constitute approximately 32% of the entire issued share capital of Propco. 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 Propco Shares under the Employee Trust Subscription Agreement; and
- The Management Trust is required 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 Propco Shares in terms of the Management Trust Subscription Agreement, which shares will, following their issue and the issue of the Propco Shares to the Employee Trust (as contemplated above) and the Black Public Scheme (see paragraph 2.9 of this Circular), constitute approximately 38% (or up to approximately 68% if the Public Offer is not implemented in full) of the entire issued share capital of Propco. 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 Propco Shares under the Management Trust Subscription Agreement as follows:
 - 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 Propco 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

- 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.

The *pro forma* financial effects of the various funding mechanisms are detailed in paragraph 6 of this Circular and Annexure 5 to this Circular. In addition, special resolution numbers 2 and 3 contained in the Notice of General Meeting seek Shareholder approval for the various forms of Financial Assistance.

2.6. Restrictions and obligations of Propco

Barloworld, Propco and other parties have entered into the Framework Agreement to regulate the obligations of Propco and its shareholders with regards to the establishment of Propco and maintenance of Propco's BEE Status for the duration of the Empowerment Period. These B-BBEE restrictions have also been incorporated in the Propco MOI. On the expiry of the Empowerment Period, all B-BBEE restrictions on Propco and its shareholders will fall away. The salient terms of the Framework Agreement are set out in Annexure 8 to this Circular.

2.6.1. *Propco obligation to acquire Barloworld Shares*

In terms of the Propco Subscription Agreement, for the duration of the Empowerment Period, Propco 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. Propco is restricted from selling any Barloworld Shares it acquires until the expiry of the Empowerment Period. At the end of the Empowerment Period, Propco will be entitled to freely deal with the Barloworld Shares held by it at that time. The issue of such Barloworld Shares to Propco 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.

2.6.2. *Disposal and encumbrance*

The shareholders of Propco being the Employee Trust, the Management Trust and the Black Public, may not encumber or dispose of their Propco Shares during the Lock-in Period. Propco 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 Propco Shares will only be traded among Black People.

2.6.3. *Tradability of Propco Shares and continuing empowerment status*

Propco will be a Black Company. In terms of the Propco MOI and other Transaction Agreements, Propco shall during the Empowerment Period be and remain a Black Company. In the event that any shareholder of Propco breaches its obligations to remain Black and to maintain its BEE Status (as contemplated in the Propco MOI), Propco or its nominees, will be entitled to acquire the Propco Shares held by such Propco 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 Propco is listed or Propco's net asset value in the event that its shares are not listed.

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

2.6.4. *Future B-BBEE Listing*

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

2.7. Management Trust

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 Propco Shares or up to a maximum of 68% in the event that the Public Offer is not implemented in full. The Management Trust's gross exposure to the total market value of the assets of Propco is R1.047 billion. The Management Trust will receive a 10-year interest-free loan from Barloworld in the amount of R207 million. Senior Managers will be required to provide a capital contribution to the Management Trust, representing 5% of the subscription price for Propco Shares acquired by Senior Managers in respect of which beneficial interests are awarded by the Management Trust to Senior Managers. These capital contributions will be utilised to reduce the outstanding amount under the Management Trust Loan. 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.

The underlying Propco 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 Propco Shares once they are listed on the B-BBEE Segment. The net asset value is the difference between the market value of the Management Trust's shares in Propco less the outstanding loan from Barloworld in terms of the Management Trust Loan (and any other liabilities of the Management Trust).

The Management Trust shall utilise all distributions made to it by Propco (including the proceeds of any share buy backs) in reduction (or settlement, as applicable) of outstanding amounts under the Management Trust Loan Agreement. After the expiry of 10 years after the Implementation Date, the Management Trust shall settle the outstanding amounts under the Management Trust Loan Agreement and shall then distribute the remainder of the Propco Shares held by the Management Trust (and other assets of the Management Trust) to its beneficiaries.

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. The split of the Management Trusts' beneficiaries is as follows:

Beneficiary category	Percentage share of Management Trust	Number of beneficiaries
DM Sewela (Director)	13.87%	1
E Leeka (Principal Executive Officer)	4.89%	1
K Rankin (Principal Executive Officer)	0.18%	1
Senior Managers (excluding DM Sewela, E Leeka and K Rankin)	56.06%	150
Junior Managers	25.00%	1 700
Total	100%	1 853

The key terms of the Management Trust are as follows:

Key term	Description
Type of instrument	Management will receive units in the Management Trust
Cancellation of allocation if Manager leaves the employ of Barloworld	Prior to the expiry of the Lock-in Period
Capital contribution by Senior Managers	5%
Propco Shares distributed to beneficiaries	A third of the Management Trust's net asset value in each of the years 6 and 7 with the remaining net asset value to be distributed in year 8, from the Implementation Date
Empowerment Period	15 years; Propco Shares can only be transferred to Black People during the Empowerment Period except for the distribution by the Management Trust to white beneficiaries and their heirs
Future allocations	80% of the units will be allocated on the Implementation Date. The remaining units will be allocated to future Management

2.8. Employee Trust

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 Propco (following the issue of the Propco Shares to the Management Trust and/or pursuant to the Public Offer). The Employee Trust's gross exposure to the total market value of the assets of Propco is R881 million. The Employee Trust's equity contribution to Propco will be fully funded by the relevant employer Barloworld Group Companies, alternatively Barloworld, in an amount of up to R174 million as a capital contribution. 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.

The Propco 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 Propco Shares once they are listed on the B-BBEE Segment.

The beneficiaries of the Employee Trust comprise Employees, and the allocation of the units in the Employee Trust will be based on EAP Targets. The key terms of the Employee Trust are as follows:

Key term	Description
Type of instrument	Employees will receive units in the Employee Trust
Cancellation of allocation if Employee leaves the employ of Barloworld	Prior to the expiry of 2 years from the Implementation Date
Capital contribution	Nil
Propco Shares distributed to beneficiaries	A third of the Employee Trust's shares in Propco in each of the years 6, 7 and 8 from the Implementation Date
Empowerment Period	15 years; Propco Shares can only be transferred to Black People during the Empowerment Period except for the distribution by the Employee Trust to white beneficiaries and their heirs

2.9. Black Public Scheme

It is intended that 30% of the entire issued share capital of Propco following the issue of the Propco Shares to the Employee Trust and the Management Trust (as contemplated in paragraphs 2.7 and 2.8 of this Circular), equivalent to an equity requirement of R163 million, will be held by the Black Public in terms of the Black Public Scheme. The Black Public Scheme's gross exposure to the total market value of the assets of Propco is R826 million. The Public Offer is expected to open during the first half of 2019. Black People who are Employees, Managers and/or Directors will be eligible to participate in the Public Offer, however, no preferential treatment will be given to such Employees, Managers or Directors. The minimum subscription amount per applicant in respect of the Public Offer is expected to be R2 500. The allocation will be filled from the bottom up, with members of the Black Public subscribing for the minimum allocation being prioritised over larger investors, to ensure broad-based participation.

2.9.1. Consequences in the event of the Public Offer not being implemented in full

The Minimum Subscription Amount to be raised from the Public Offer is approximately R120 million. Any shortfall between the R163 million total equity required and the R120 million Minimum Subscription Amount will be reallocated to the Management Trust, for the specific and exclusive benefit of Junior Managers. Should the Minimum Subscription Amount not be achieved, the Public Offer will be declared unsuccessful and shall accordingly not be implemented. In the event that the Public Offer is not implemented in full, the B-BBEE Transaction will continue, and the Management Trust will be obliged to subscribe for Propco Shares to the extent of the shortfall for the benefit of Junior Managers. This results in the Management Trust holding up to a maximum of 68% of the entire issued share capital of Propco (following the issue of the Propco Shares to the Management Trust and the Employee Trust as contemplated in paragraphs 2.7 and 2.8 of this Circular) (but with no change to the holdings of DM Sewela, E Leeka and K Rankin as the Management Trust Deed provides for units related to such shares to be allocated to Junior Managers). Consequently, the amount to be advanced by Barloworld under the Management Trust Loan will increase.

The *Pro Forma B* financial effects of the B-BBEE Transaction as outlined in paragraph 6 below and Annexure 5 to this Circular, have been compiled assuming the Minimum Subscription Amount for the Black Public Scheme.

The *Pro Forma C* financial effects of the B-BBEE Transaction as outlined in paragraph 6 below and Annexure 5 to this Circular, have been compiled assuming a worst-case scenario of no Black Public Scheme.

2.10. Key terms of the Leases

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

Item	Description
Lessor	Propco (after the Sale, pursuant to which Propco will become the lessor by operation of law, and the assignment of Barloworld's rights and obligations in and to the Lease in terms of the Sale of Properties Agreement)
Lessee	Barloworld SA and Barloworld Logistics
Type of lease	Triple Net Lease Barloworld SA and Barloworld Logistics (as lessees) will be responsible for all costs relating to the Properties, such as security, facilities management, maintenance, rates, insurance, management and administration fees, etc.
Escalation	8% per annum ¹
Lease term	10 years ²
Barloworld Lease Guarantee	Barloworld guarantees the Lessees' lease payment obligations to Propco

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 Propco 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

2.11. Alternatives post the expiry of the Lease

Propco and Barloworld may, at the end of Lease period (subject to shareholder and regulatory approvals required at the time):

- Extend the term of the Lease for a further period of 5 years to the end of the Empowerment Period or such other period as may be agreed between them; or
- Propco may, in its discretion, sell the Properties for cash, subject to the right of first refusal granted by Propco to Barloworld to acquire the Properties in the event that Propco elects to dispose of the Properties. Propco has an obligation to utilise any excess cash from the sale of the Properties (after settling 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
- Propco may sell the Properties to Barloworld in exchange for Barloworld Shares and cash sufficient for settling taxes, costs and debt.

2.12. Effective Date and Implementation Date

The effective date of the Sale, 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 3 of this Circular and Annexure 9 to this Circular).

The Implementation Date of the Sale 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 Propco 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.

Subject to ownership of the property in question having been transferred into the name of Propco, Propco 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).

2.13. Nature of business of the Properties

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

Property type	Properties' Market Value	Yield	Year 1 rental	Lease tenure	GLA	Vacancies
Motor Retail	R1.68 billion	8.83%	R148.04 million	10 years	128 913	0%
Industrial	R940.34 million	9.28%	R87.25 million	10 years	149 901	0%
Commercial	R95.28 million	9.00%	R8.58 million	10 years	9 150	0%
Mixed – Commercial and Industrial	R13.81 million	9.00%	R1.24 million	10 years	5 264	0%
Residential	R29.44 million	9.38%	R2.80 million	10 years	595	0%
Total	R2.76 billion	9.00%	R247.87 million		293 823	0%

As all Properties are occupied by the Barloworld Group at 15 November 2018, there are no vacancies.

2.14. Disposal Consideration

The Disposal Consideration is R2.722 billion, which will be paid in cash by Propco on the Implementation Date and/or against transfer of the Properties. Propco will fund the Disposal Consideration using a combination of the External Loan and equity pursuant to the subscriptions for Propco Shares by the Management Trust, the Employee Trust and the Black Public (through the Public Offer). Refer to paragraph 2.5.1 of this Circular for sources of funding.

2.15. Application of the Disposal Consideration

The ultimate utilisation of the Disposal Consideration is still being contemplated as part of the Group's ongoing review of its capital structure and in pursuit of growth opportunities.

For the purposes of the financial effects as disclosed in paragraph 6 of this Circular and Annexure 5 to this Circular, Barloworld has assumed that the proceeds of the Sale will be applied to reduce debt.

2.16. Independent Property Valuation

The Independent Property Valuation on the Properties (as set out in Annexure 1 to this Circular) together with the detailed valuation reports, are available for inspection as set out in paragraph 12 of this Circular.

The valuation was carried out by Mr R Hunting of the Independent Property Valuer. Mr Hunting is registered without restriction as a Professional Valuer in terms of the Property Valuers Profession Act, 2000 (47 of 2000).

2.17. Warranties and indemnities

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 Propco 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.

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

The liabilities of Barloworld under the warranties and indemnities contained in the Property Sale Agreement and the Property Lease Agreements is limited to an amount not exceeding the quantum of the Disposal Consideration.

2.18. Unadjusted financial information relating to the Properties

The unadjusted financial information on the Properties, which is the responsibility of the Directors, is set out in Annexure 3 to this Circular and the Independent Reporting Accountants and Auditors' report thereon is set out in Annexure 4 to this Circular.

2.19. Pro forma financial effects

The *pro forma* financial effects of the B-BBEE Transaction are contained in Paragraph 6 of this Circular and Annexure 5 to this Circular and the Independent Reporting Accountant and Auditors' report thereon is set out in Annexure 6 to this Circular.

2.20. Categorisation

The Sale is categorised as a category 2 transaction as the Disposal Consideration of R2.722 billion equates to 10.98% of the market capitalisation of Barloworld of R24.9 billion as at 15 November 2018, being the last Business Day before the Transaction Agreements were signed.

2.21. Attendance and voting at the General Meeting in respect of the Sale and the Lease and the B-BBEE Transaction

In terms of the JSE Listings Requirements, Shareholder approval is not required for a category 2 transaction. However, as the Sale and the Lease have been classified by the JSE as a related party transaction and agreement, respectively, the Board (excluding DM Sewela) will obtain Shareholder approval for the B-BBEE Transaction by way of separate ordinary resolutions. The Financial Assistance is exempted in terms of paragraph 10.6(c)(v) and (vi) of the JSE Listings Requirements. DM Sewela, the Group chief executive officer of Barloworld, and E Leeka and K Rankin, Principal Executive Officers of Barloworld and their associates, will be considered in determining a quorum at the General Meeting but they will not exercise their votes in respect of the separate resolutions relating to the Sale, the Lease and the Financial Assistance.

3. CONDITIONS PRECEDENT

The Specific Issue of Shares to the Foundation, the Sale, the Lease and the B-BBEE Transaction as a whole, shall only be implemented upon the fulfilment or waiver, as the case may be, of the Conditions Precedent to the Framework Agreement. The Conditions Precedent are detailed in Annexure 9 to this Circular.

4. INDEPENDENT FAIRNESS OPINION

Although a Board opinion and fairness opinion are not strictly required in terms of 5.51(f) and 5.69(e) of the JSE Listings Requirements, given that the Foundation is not a related party and the Specific Repurchase will be undertaken at the par value of R0.05 per Share in the event that the Foundation breaches any material obligations of the Transaction Agreements, the Specific Issue of Shares to the Foundation and Specific Repurchase as detailed in paragraphs 2.3 and 2.4, respectively, of this Circular, have been incorporated into the overall opinions on the B-BBEE Transaction (see paragraphs 4 and 5 of this Circular and Annexure 2 to this Circular).

Propco and the Management Trust have been classified by the JSE as related parties in terms of paragraph 10.1 (b)(i),(ii),(iv) and (vii) of the JSE Listings Requirements, and are also being treated as related parties in the interest of transparency given that DM Sewela, the Group chief executive officer of Barloworld, and E Leeka and K Rankin, Principal Executive Officers of Barloworld, will collectively indirectly hold 7.20% of Propco (through their 18.95% interest in the Management Trust) and with other Management of Barloworld as well as Employees, hold between 70% and 100% of Propco. Therefore, the Sale and the Lease are being treated as a related party transaction and agreement, respectively. The Financial Assistance is exempted in terms of paragraph 10.6(c)(v) and (vi) of the JSE Listings Requirements. As a result, Shareholder approval is being sought and Barloworld has procured the Independent Fairness Opinion on the overall B-BBEE Transaction including the Sale and Lease (see Annexure 2 to this Circular).

5. BOARD OPINION AND RECOMMENDATION

The Board (excluding DM Sewela and O Ighodaro (who recently joined the Board)), having regard to the Independent Fairness Opinion, as set out in Annexure 2 to this Circular, and the Independent Property Valuation of the Properties, as set out in Annexure 1 to this Circular, is of the opinion that the B-BBEE Transaction is fair insofar as Shareholders are concerned and should be supported, and recommends that Shareholders vote in favour of the relevant resolutions at the General Meeting. Directors (other than DM Sewela) who hold Shares intend to vote such Shares in favour of the resolutions pertaining to the Sale, the Lease and the B-BBEE Transaction, as a whole as set out in the Notice of General Meeting.

6. PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial effects of the B-BBEE Transaction on the results of Barloworld as at and for the year ended 30 September 2018, which should be read together with the detailed *pro forma* financial effects in Annexure 5 to this Circular and the Independent Reporting Accountant and Auditors' report thereon in Annexure 6 to this Circular, are set out below.

The *pro forma* financial effects are presented for illustrative purposes only and because of their *pro forma* nature, may not fairly present Barloworld's financial position, changes in equity, results of operations or cash flow, nor the effect of the B-BBEE Transaction going forward.

The *pro forma* financial effects are the responsibility of the Directors and have been prepared using accounting principles that are consistent with IFRS and the accounting policies adopted by Barloworld in its published consolidated financial statements for the year ended 30 September 2018. The *pro forma* financial effects are presented in accordance with the JSE Listings Requirements and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants.

Three sets of *pro forma* financial effects have been presented as detailed below:

PRO FORMA A: Assumes the Black Public Scheme is fully subscribed. In this *pro forma* the Propco shareholding reflects the following:

30%	Black Public Scheme
32%	Employee Trust
38%	Management Trust

PRO FORMA B: Assumes the Minimum Subscription Amount in the Black Public Scheme is achieved. In this *pro forma* the Propco shareholding reflects the following:

21%	Black Public Scheme
32%	Employee Trust
47%	Management Trust

PRO FORMA C: Assumes the Minimum Subscription Amount in the Black Public Scheme is not achieved. In this *pro forma* the Propco shareholding reflects the following:

32%	Employee Trust
68%	Management Trust

Basis of preparation

The *pro forma* income statement has been prepared on the basis that the B-BBEE Transaction was implemented on 1 October 2017.

The *pro forma* statement of financial position has been prepared on the basis that the B-BBEE Transaction was implemented on 30 September 2018.

	Group before the B-BBEE Transaction	B-BBEE Transaction adjustments (with full Black Public Scheme)	Group after the <i>pro forma</i> adjustments
Pro Forma A			
Basic earnings per Share (cents)	1 042.8	(172.6)	870.2
Diluted earnings per Share (cents)	1 036.5	(171.5)	865.0
Basic headline earnings per Share (cents)	1 150.9	(77.3)	1 073.6
Diluted headline earnings per Share (cents)	1 144.0	(76.8)	1 067.2
Net asset value per Share (cents)	10 452.9	(325.3)	10 127.6
Tangible net asset value per Share (cents)	8 854.1	(277.4)	8 576.7
Weighted average number of Shares in issue ('000s)	210 875		210 875
Weighted average number of diluted Shares in issue ('000s)	212 147		212 147
Number of Shares in issue ('000s)	212 693	6 578	219 271

	Group before the B-BBEE Transaction	B-BBEE Transaction adjustments (with Minimum Subscription Amount)	Group after the <i>pro forma</i> adjustments
Pro Forma B			
Basic earnings per Share (cents)	1 042.8	(175.9)	866.9
Diluted earnings per Share (cents)	1 036.5	(174.8)	861.7
Basic headline earnings per Share (cents)	1 150.9	(80.6)	1 070.3
Diluted headline earnings per Share (cents)	1 144.0	(80.1)	1 063.9
Net asset value per Share (cents)	10 452.9	(325.3)	10 127.6
Tangible net asset value per Share (cents)	8 854.1	(277.4)	8 576.7
Weighted average number of Shares in issue ('000s)	210 875		210 875
Weighted average number of diluted Shares in issue ('000s)	212 147		212 147
Number of Shares in issue ('000s)	212 693	6 578	219 271

<i>Pro Forma C</i>	Group before the B-BBEE Transaction	B-BBEE Transaction adjustments (with no Black Public Scheme)	Group after the <i>pro forma</i> adjustments
Basic earnings per Share (cents)	1 042.8	(185.9)	856.9
Diluted earnings per Share (cents)	1 036.5	(184.7)	851.8
Basic headline earnings per Share (cents)	1 150.9	(90.6)	1 060.3
Diluted headline earnings per Share (cents)	1 144.0	(90.0)	1 054.0
Net asset value per Share (cents)	10 452.9	(325.3)	10 127.6
Tangible net asset value per Share (cents)	8 854.1	(277.4)	8 576.7
Weighted average number of Shares in issue ('000s)	210 875		210 875
Weighted average number of diluted Shares in issue ('000s)	212 147		212 147
Number of Shares in issue ('000s)	212 693	6 578	219 271

Refer to Annexure 5 to this Circular for the notes and assumptions used in the preparation of the *pro forma* financial effects.

7. ECONOMIC COST OF THE B-BBEE TRANSACTION

7.1. B-BBEE Transaction facilitation costs

7.1.1 **Specific Issue of Shares to the Foundation:** a total share-based payment charge of R749 million (which equates to 3% of Barloworld's market capitalisation as at the day prior to the signature of the Transaction Agreements), which will be recognised on the Specific Issue of Shares to the Foundation. The IFRS 2 charge will eliminate on consolidation and the issued Shares will be shown as treasury shares in the consolidated financial statements of the Group.

7.2 The Sale and related components

7.2.1 The economic cost of the Sale and the Lease comprise IFRS 2 charges relating to:

7.2.1.1 **Management:** a total share-based payment charge of R108 million (which equates to 0.43% of Barloworld's market capitalisation as at the day prior to the signature of the Transaction Agreements), relating to the Management Trust Loan, which will be recognised in equal tranches over the 5-year vesting period from the Implementation Date. The Management Trust's IFRS 2 share-based payment charges have been calculated using a Monte Carlo Simulation based on an option pricing model.

7.2.1.2 **Employees:** a total share-based payment charge of R174 million (which equates to 0.70% of Barloworld's market capitalisation as at the day prior to the signature of the Transaction Agreements), relating to the contribution by Barloworld to the Employee Trust's equity, which will be recognised in equal tranches over the vesting period of 2 years from the Implementation Date.

7.2.1.3 Discount on the Properties' Market Value

A 5% discount on the Properties' Market Value (adjusted for the R110 million development expenditure), amounting to R143 million, has been provided by Barloworld to Propco on the Sale. This equates to 0.57% of Barloworld's market capitalisation as at the day prior to the signature of the Transaction Agreements.

7.3 Summary

	Successful Public Offer R'm	Percentage of Market Capitalisation	Unsuccessful Public Offer R'm	Percentage of Market Capitalisation
Foundation IFRS 2 charges ¹	749	3.00%	749	3.00%
Total for the Sale and related components	425	1.70%	507	2.03%
Sale and related components IFRS 2 charges				
Employees	174	0.70%	174	0.70%
Junior Managers	27	0.11%	112	0.45%
Senior Managers	81	0.32%	78	0.31%
Discount on Properties' Market Value	143	0.57%	143	0.57%
Total	1 174	4.70%	1 256	5.03%

¹ Based on Barloworld's market capitalisation as at 15 November 2018, being the last Business Day prior to the signature of the Transaction Agreements

7.4 Other transaction costs

7.4.1 **Rental escalation rate:** the lease payments from the Lessees to Propco are subject to an annual escalation rate of 8%. This exceeds a market related escalation rate of 7%. The total lease payments over the term of the Leases are R3 945 million. Had a market related escalation rate of 7% been applied, the lease payments would have been R3 763 million. This represents a pre-tax cost of R80 million (being the present value, at Barloworld's weighted average cost of capital, of the annual differences over the lease term) or 0.3% of Barloworld's market capitalisation as at the day prior to the signature of the Transaction Agreements.

7.4.2 **Taxes:** Barloworld will incur CGT on the sale of the Properties to Propco totalling R201 million.

7.4.3 **Breakage costs on Properties related debt:** Breakage costs of R7 million will be incurred on the early settlement of property related debt.

7.5 Loss of control

In the event that Barloworld loses control of Propco in terms of IFRS 10: Consolidated Financial Statements, Propco would be 'deconsolidated' from the Barloworld Group. Assuming that this takes place at the end of the initial empowerment period of 10 years, this would result in the Group recognising a loss on disposal of Propco of approximately R2.3 billion, representing the estimated net asset value of Propco after the initial empowerment period of 10 years. The net asset value of Propco has been estimated assuming no appreciation of the value of the Properties from the date of acquisition.

8. INFORMATION RELATING TO BARLOWORLD

8.1. Overview

Barloworld is a distributor of leading global brands with head offices in Johannesburg (South Africa) and Maidenhead (United Kingdom), providing integrated rental, fleet management, product support and logistics solutions. The Company was established in 1902 in South Africa, making it one of the country's oldest companies. Inspiring leadership, a reputation for ethical conduct, innovation and a commitment to giving back to South Africans has ensured Barloworld's longevity over the past 116 years.

The core divisions of the Group comprise:

- Equipment (earthmoving and power systems);
- Automotive (car rental, motor retail, fleet services, used vehicles and disposal solutions) and Logistics (logistics management and supply chain optimisation).

Barloworld offers flexible, value adding, integrated business solutions to its customers backed by leading global brands such as Alfa Romeo, Avis, BMW, Caterpillar, Ford, Jaguar, Mazda, Mercedes Benz, Toyota and Volkswagen.

Barloworld has a proven track record of building long-term relationships with global principals and customers. The Company has a core competency to leverage systems and best practices across chosen business segments.

The Company has an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. The Company currently has operations in 15 countries around the world with approximately 82% of over 17 000 employees in South Africa.

The segmental information for the Group is provided below for the year ended 30 September 2018:

	Revenue R'm	Operating profit/(loss) R'm	Fair value adjustments on financial instruments R'm	Operating profit/(loss) including fair value adjustments R'm	Net operating assets/ (liabilities) R'm
Equipment and Handling	27 686	2 574	(84)	2 490	14 902
Automotive and Logistics	35 733	1 963	(19)	1 944	10 296
Corporate	1	(133)	(30)	(163)	(1 159)
Total Group	63 420	4 404	(133)	4 271	24 039

8.2. Prospects

Emerging market economies remain under pressure sparked by rising US interest rates and related capital flows in the latter part of 2018. In particular, the continued escalation of trade conflicts between the US and Russia represent a risk to Barloworld's Russian Equipment operations. The introduction of further US sanctions in the first half of 2018 was matched by increased Russian tariffs on certain US manufactured mining machines in the latter part of 2018. This will impact certain new large mining machine sales in Russia going forward, however the Board expects aftermarket activity in the territory to remain robust. In southern Africa, the construction industry will remain under pressure. However, with oil and commodity prices rising, and developments around the South African mining charter expected to bring some certainty to the industry, the Directors anticipate steady growth particularly in the South African mining segment. The outlook for the remaining southern African operations however, remains constrained. The strong performance of Barloworld's joint venture in the Kantanga province of the Democratic Republic of Congo is expected to continue on the back of improved cobalt and copper prices. The outlook for all businesses within the Automotive segment is expected to remain stable amidst challenging market conditions and the Company will continue to explore alternative funding structures for its leasing business. Logistics' improved performance in 2018 is expected to continue on the back of sustained focus on cost containment and profitable growth.

8.3. Material changes

Other than the B-BBEE Transaction, there are no material changes in the financial or trading position of the Group which have taken place since the financial results of Barloworld for the year ended 30 September 2018, which were published on 19 November 2018, and the Last Practicable Date.

8.4. Share capital

8.4.1. Before the B-BBEE Transaction

	R'm
Authorised share capital	
500 000 6% non-redeemable cumulative preference shares of R2 each	1
400 000 000 ordinary shares of R0.05 each	20
	21
Issued share capital	
375 000 6% non-redeemable cumulative preference shares of R2 each	1
212 692 583 ordinary shares of R0.05 each*	11
	12
Share premium	429
Total issued share capital and premium	441

* Included in ordinary shares are 1 570 042 treasury shares

8.4.2. *After the Specific Issue of Shares to the Foundation*

	R'm
Authorised share capital	
500 000 6% non-redeemable cumulative preference shares of R2 each	1
400 000 000 ordinary shares of R0.05 each	20
	21
Issued share capital	
375 000 6% non-redeemable cumulative preference shares of R2 each	1
219 270 704 ordinary shares of R0.05 each*	11
	12
Share premium	429
Total issued share capital and premium	441

* Included in ordinary shares are 8 148 163 treasury shares

8.4.3. *After the Specific Issue of Shares to the Foundation and the Specific Repurchase (assuming the maximum repurchase)*

	R'm
Authorised share capital	
500 000 6% non-redeemable cumulative preference shares of R2 each	1
400 000 000 ordinary shares of R0.05 each	20
	21
Issued share capital	
375 000 6% non-redeemable cumulative preference shares of R2 each	1
212 692 583 ordinary shares of R0.05 each*	11
	12
Share premium	429
Total issued share capital and premium	441

* Included in ordinary shares are 1 570 042 treasury shares

8.4.4. *Issue of Shares in the last 3 years*

There has been no issue of Shares in the 3 years up to the Last Practicable Date.

8.5. **Major Shareholders**

At the Last Practicable Date, Shareholders (other than Directors) beneficially holding, directly or indirectly, 5% or more of the issued Shares of the Company insofar as it is known to the Company, were as follows:

Name	Number of Shares	% Holding
Government Employee Pension Fund	34 588 880	16.26

At the Last Practicable Date, investment managers (other than Directors) holding 5% or more of the issued Shares of the Company were as follows:

Name	Number of Shares	% Holding
Public Investment Corporation	33 383 774	15.70
Westwood Global Investments LLC	19 688 068	9.26
Dimensional Fund Advisers	13 609 814	6.40
Silchester International Investors	12 010 081	5.65

The Directors are not aware of any other Shareholder who beneficially holds, directly or indirectly, 5% or more of the Company's issued Shares.

Following the Specific Issue of Shares to the Foundation, the shareholdings will be as follows:

Name	Number of Shares	% Holding
Government Employee Pension Fund	34 588 880	15.77

Name	Number of Shares	% Holding
PIC	33 383 774	15.22
Westwood Global Investments LLC	19 688 068	8.98
Dimensional Fund Advisers	13 609 814	6.21
Silchester International Investors	12 010 081	5.48

8.6. Material contracts, service and other agreements

At the Last Practicable Date, other than the contracts disclosed in Annexure 8 to this Circular, there are no other material contracts (including restrictive funding arrangements) entered into, either verbally or in writing, by Barloworld or any of its major subsidiaries or by any subsidiary where it is material to Barloworld, during the two years preceding the Last Practicable Date other than in the ordinary course of the business carried on by Barloworld or containing an obligation or settlement that is material to the Barloworld Group.

The Material Contracts are available for inspection as set out in paragraph 12 of this Circular.

9. INFORMATION RELATING TO THE DIRECTORS

9.1. Directors' details

All Directors are South African unless otherwise stated.

Name	Age	Designation	Function	Business address
Dumisa Buhle Ntsebeza	68	Independent Non-Executive Director (Chairman)	Chairman of General Purposes Committee and Nomination Committee and member of the Remuneration Committee and Social Ethics & Transformation Committee	Victoria Mxenge Group of Advocates, Sandown Office Village Park, West Court, First Floor, 81 Maude Street, corner Gwen Lane, Sandton, 2196
Dominic Malentsha Sewela	53	Chief Executive	Member of Risk & Sustainability Committee and General Purposes Committee	61 Katherine Street, Sandton, 2146
Donald Gert Wilson	61	Finance Director	Member of Risk & Sustainability Committee	61 Katherine Street, Sandton, 2146
Olufunke Ighodaro ^{1/2}	55	Executive Director and Chief Financial Officer Designate	Member of the Board	61 Katherine Street, Sandton, 2146
Neo Phakama Dongwana	46	Independent Non-Executive Director	Chairman of Remuneration Committee and Member of Nomination Committee, Risk & Sustainability Committee and Social Ethics and Transformation Committee	PO Box 688, Northlands, 2116
Frances Ngozi Chukukwa Edozien ¹	53	Independent Non-Executive Director	Member of Audit and General Purposes Committee	InVivo Partners, Unit 8, Udi Street, Osbourne Estates, Ikoyi, Lagos State, Nigeria

Name	Age	Designation	Function	Business address
Oupa Isaac Shongwe	56	Independent Non-Executive Director	Member of Remuneration Committee, Nomination Committee and General Purposes Committee	Suite 15, 2nd Floor, corner Katherine and West Street, 114 West Street, Sandton
Sango Siviwe Ntsaluba	58	Independent Non-Executive Director	Chairman of Audit Committee and member of General Purposes Committee, Nomination Committee, Remuneration Committee and Risk & Sustainability Committee	Building 4 Parc Nicol, 3001 William Nicol Drive, Bryanston, 2191
Sibongile Susan Mkhabela	62	Independent Non-Executive Director	Chairman of Social, Ethics and Transformation Committee and member of Nomination Committee	Nelson Mandela Children's Fund, 27 Eastwold Way, Saxonwold, 2196
Hester Helena Hickey	64	Independent Non-Executive Director	Chairman of Risk & Sustainability Committee, and member of Audit Committee	PO Box 97208, Peterville, Bryanston, 2151
Peter Schmid	56	Independent Non-Executive Director	Member of General Purposes Committee and Remuneration Committee	9 Sundbrook Gardens, London, TW10 7DD
Michael David Lynch-Bell ²	65	Independent Non-Executive Director	Member of Audit Committee, Risk & Sustainability Committee and Social, Ethics and Transformation Committee	1 Oldbury Place, London, W1U 5PG, United Kingdom
Nomavuso Patience Mnxasana	62	Independent Non-Executive Director	Member of Audit Committee	2 Juarez Street, Kyalami Estate, Halfway House, Midrand

¹Nigerian

²British

Post 30 September 2018, the following changes to the Board occurred:

New appointments

- O Ighodaro appointed executive Director and chief financial officer designate effective 1 October 2018
- MV Mokhesi appointed non-executive Director on 15 November 2018 effective 1 February 2019
- H Molotsi appointed non-executive Director on 15 November 2018 effective 1 February 2019

The details pertaining to directors of Barloworld's major subsidiaries are provided in Annexure 10 to this Circular.

9.2. Directors' interests in the Shares

The table below sets out the direct and indirect beneficial holdings of the Directors (and those who were directors in the last 18 months), and their associates, in the Shares before the Specific Issue of Shares to the Foundation at the Last Practicable Date:

	Beneficial			% Before the Specific Issue of Shares to the Foundation	% After the Specific Issue of Shares to the Foundation
	Direct	Indirect	Total		
DM Sewela	18 442	29 989	48 431	0.023	0.022
DG Wilson	124 197		124 197	0.058	0.057
SS Mkhabela	37 430		37 430	0.018	0.017
SS Ntsaluba	5 155		5 155	0.002	0.002
DB Ntsebeza	44 364		44 364	0.021	0.020
IO Shongwe	89 277	3 184	92 461	0.043	0.042

Since the Company's financial year-end on 30 September 2018, the following Directors have traded in the Shares:

Name	Date of Transaction	Number of Shares	Price per Share R
DM Sewela	19 November 2018	350	114.50
		500	114.78
		500	115.00
		500	115.15
		500	115.20
		465	115.23
		85	115.40
		415	115.40
		500	115.50
		500	115.62
	20 November 2018	6	113.35
		500	112.10
		135	112.30
		500	112.50
		500	112.85
		500	113.15
		500	113.20
		500	113.35
		500	113.52
		400	114.15
350	114.50		
	21 November 2018	2	111.60
		500	111.78
		414	111.90
		4 437	111.99
		500	112.00
		500	112.10
		500	112.28
		500	112.40
		500	112.70
		500	113.10
500	113.27		
	23 November 2018	4 477	110.87
		22 036	2 487 994.19
SS Ntsaluba	23 November 2018	900	109.89
	26 November 2018	885	113.65
		1 785	196 071.75

9.3. Directors' interests in transactions

Other than as disclosed in this Circular, regarding DM Sewela, the Group chief executive officer, and E Leeka and K Rankin, the Principal Executive Officer's, interest in the B-BBEE Transaction as future beneficiaries of the Management Trust, the Directors, including the Directors who have resigned in the preceding 18 months to the Last Practicable Date, had no material beneficial interests, whether direct or indirect, in transactions entered into by Barloworld during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

9.4. Corporate governance arrangements

As set out in paragraph 1.2 of this Circular, Propco and the Management Trust have been classified by the JSE as related parties. In accordance with section 75 of the Companies Act, Directors and Principal Executive Officers with a personal financial interest in Propco will recuse themselves from voting on all resolutions relating to the Sale, the Lease and the Financial Assistance. Details of the Directors' personal financial interest in Propco are set out in paragraph 2.7 of this Circular.

During the negotiations of the B-BBEE Transaction, the Board established a sub-committee including independent non-executive Directors (Mr Sango Ntsaluba, Mr Isaac Shongwe and Ms Ngozi Ezodien) to oversee the negotiations and make recommendations to the Board. The Directors and Principal Executive Officers with a personal financial interest were excluded from Board decisions relating to the Sale, the Lease and the Financial Assistance pertaining to themselves.

Furthermore, the Board has obtained the Independent Property Valuation as well as an Independent Fairness Opinion.

Black People who are Employees, Managers and/or Directors will be eligible to participate in the Public Offer. The Principal Executive Officers have indicated that they will not participate in the Black Public Scheme. The following Directors are eligible to participate but have not yet indicated their participation amounts in the Black Public Scheme:

- DB Ntsebeza;
- NP Dongwana;
- OI Shongwe;
- SS Ntsaluba;
- SS Mkhabela; and
- NP Mnxasana.

The Board has made the following arrangements with respect to the Black Directors and Principal Executive Officers' participation in the Black Public Scheme:

- The maximum participation amount may not exceed R1 million per director;
- The maximum participation amount may be reduced in the event of an oversubscription of the Public Offer;
- The value of the participation of the Black Directors and Principal Executive Officers in the Black Public Scheme will not exceed 0.25% of Barloworld's issued share capital after the Specific Issue of Shares to the Foundation;
- Those members of the Board who will not participate in the Black Public Scheme have approved such participation; and
- No preferential treatment in the allocation of Black Public Scheme shares will be given to such Employees, Managers or Directors.

Furthermore, the maximum participation amount by any independent non-executive Director will not exceed 10% of their total wealth and therefore does not affect their independence.

9.5. Directors' service contracts

The Directors are subject to a rotation period in accordance with the MOI. Notice of 3 months is required for resignation from office.

The executive Directors in the employ of Barloworld are subject to service agreements which prescribe, *inter alia*, the term, duties, termination provisions, confidentiality provisions and non-compete provisions.

The following is a breakdown of the executive Directors' remuneration in respect of the year ended 30 September 2018:

	Salary R'000	Retirement and medical contributions R'000	Car benefit R'000	Other benefits R'000	Bonus R'000	Total 2018 R'000
Executive Directors						
DG Wilson	4 655	1 187	272	3	4 756	10 873
DM Sewela	8 537	1 301	284	3	10 787	20 912
Total executive Directors	13 192	2 488	556	6	15 543	31 785

The non-executive Directors have signed letters of appointment which are in compliance with the Barloworld MOI. The Board adopted a non-executive Director term policy in July 2018 in terms of which Directors are appointed for 9 years or until age 70, whichever comes first.

Details of non-executive Directors' fees for the year ended 30 September 2018 are as follows:

	Total fees R'000
Non-executive Directors	
Residents	
NP Dongwana	1 082
HH Hickey	732
SS Mkhabela	634
NP Mnxasana	516
SS Ntsaluba	1 042
DB Ntsebeza	2 465
IO Shongwe	665
Non-residents	
FNO Edozien	1 225
MD Lynch-Bell	1 423
P Schmid	1 716
Total non-executive Directors	11 500

There will be no variation in the remuneration of the Directors as a result of the B-BBEE Transaction.

10. ADDITIONAL INFORMATION

10.1. Expenses

The estimated expenses relating to the B-BBEE Transaction (excluding VAT) are set out below:

Expenses	Payable to	R'000
Corporate Adviser and Transaction Sponsor	Tamela Holdings Proprietary Limited	15 000
Listing fees	JSE	273
Documentation fees	JSE	98
Independent Reporting Accountants and Auditors' fees	Deloitte & Touche	700
Cost of increasing internal capacity	See note 1	7 707
Independent Property Valuer fees	Broll Valuation and Advisory Services Proprietary Limited	800
Independent Expert	BDO Corporate Finance Proprietary Limited and Basis Points Capital Proprietary Limited	350
Legal Adviser to Barloworld	Dentons	9 500
Legal Adviser to the BEE Participants	Poswa Incorporated	500
Financial Adviser to the BEE Participants	Identity Advisory Proprietary Limited	1 000
Printing and publication costs	Bastion Graphics Proprietary Limited	635
Transfer Secretaries' fees including electronic voting and facilitation	Link Services South Africa Proprietary Limited	35
Competition Commission filing fee	Dentons	600
Miscellaneous		2
Total		37 400
Note 1:		
<i>KPMG</i>	<i>IFRS 2 advice</i>	2 887
<i>Empowerdex</i>	<i>Empowerment advice</i>	200
<i>AECOM</i>	<i>Property review</i>	2 320
<i>Webber Wentzel</i>	<i>Company secretary legal advice</i>	2 300
Total		7 707

In addition to the above costs of the B-BBEE Transaction, the estimated costs (excluding VAT) of the Public Offer payable to various service providers are estimated to be between R15 million to R20 million. The Public Offer costs will be borne by Barloworld.

10.2. Consents

Each of the Corporate Adviser and Transaction Sponsor, Sponsor, Independent Reporting Accountants and Auditors, Independent Expert, Independent Property Valuer, Legal Adviser to Barloworld, Legal Adviser to the BEE Participants, Financial Adviser to the BEE Participants and Transfer Secretaries, have given and have not, prior to the Last Practicable

Date, withdrawn their written consent to the inclusion in this Circular of their names in the form and context in which they appear.

In addition, the Independent Expert, the Independent Property Valuer and the Independent Reporting Accountants and Auditors provided their written consent to their reports being included in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the Last Practicable Date.

10.3. Directors' responsibility statement

The Directors, whose names are given in the "Corporate Information" section of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law, the Companies Act and the JSE Listings Requirements.

10.4. General Meeting and voting

10.4.1. General Meeting

A notice convening the General Meeting to approve the B-BBEE Transaction and a form of proxy (*blue*), for use by registered Certificated Shareholders and Dematerialised Shareholders with own-name registration who are unable to attend the General Meeting, form part of this Circular.

Shareholders are referred to the "Action required by Shareholders" section of this Circular, which contains information as to the actions they need to take in regard to the General Meeting.

10.4.2. Voting

The voting requirements for each of the resolutions tabled in the Notice of General Meeting are outlined in such notice.

11. LITIGATION STATEMENT

Barloworld is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months to the Last Practicable Date, a material effect on Barloworld's financial position.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Barloworld's registered office, as detailed in the "Corporate Information" section of this Circular, during normal business hours from the date of issue hereof until the date of the General Meeting:

- The Barloworld MOI;
- The Memorandum of Incorporation of major Barloworld Subsidiaries;
- The Material Contracts as detailed in Annexure 8 to this Circular;
- The audited financial statements of Barloworld for the year ended 30 September 2018, 30 September 2017 and 30 September 2016;
- The signed abridged Property Valuation Report of the Independent Property Valuer on the Properties, the text of which is included in this Circular as Annexure 1 and the detailed valuation reports on the Properties;
- The signed Independent Fairness Opinion on the B-BBEE Transaction, the text of which is included in this Circular as Annexure 2;
- Unadjusted financial information on the Properties for the year ended 30 September 2018 included in this Circular as Annexure 3;
- The signed reports of the Independent Reporting Accountants and Auditors set out in Annexures 4 and 6;
- Non-executive Directors' letters of appointment;
- The service agreements in respect of each of the executive Directors;
- The consent letters as detailed in paragraph 10.2 of this Circular; and
- A signed copy of this Circular.

SIGNED AT JOHANNESBURG ON 18 DECEMBER 2018 BY:

DG WILSON (FINANCE DIRECTOR)

HH HICKEY (NON-EXECUTIVE DIRECTOR)

ON BEHALF OF ALL THE DIRECTORS

INDEPENDENT PROPERTY VALUATION

“7 December 2018

The Directors
Barloworld Limited
61 Katherine Street
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 property is leased by Barloworld Limited to Barloworld South Africa (Proprietary) Limited, in terms of an unsigned agreement of lease, dated 19 September 2016 ("the head lease"). Barloworld South Africa (Proprietary) Limited ("the sub-lessor") has sub-let a part of the property to BHBW South Africa (Proprietary) Limited ("the sub-lessee") in terms of a sub-lease ("the sub-lease") which terminates on 28 February 2019.

The basic terms of sub-lease are set out in the individual property reports and Annexure B.

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 499 600 taking into account an amount of around R699 600 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 agreements 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 920 000 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 R35 510 000. Based on the sketch plans and cost plan for the scheme of redevelopment of the property as provided by Barloworld 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 we have estimated a post-development value for the property at 31 August 2018 of R9 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.

(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 meterage which could only be more accurately determined if premeasured by a professional. The reported square meterage 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.

(R) MARKET VALUE

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"

	1	2	3	4	5	6
PROPERTY CODE	A01	A03	A05	A100	A07	A08
Property name	Barloworld Equipment (Pty) Ltd – 136 Main Reef Road, Boksburg	Barloworld Equipment (Pty) Ltd – Isando	Motor Head Office, Isando – 8 Anvil Road, Isando	Motor Head Office Parking, Isando – 4 Anvil Street, Isando	Toyota Centurion/Avis – Centurion	Avis Croydon – Kempton Park
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg	2 Electron Avenue, Isando	8 Anvil Street, Isando, 1609	4 Anvil Road, Isando, 1609	1301 South Street, Centurion	20 Sysie Road and 2 Reier Road, Croydon, Kempton Park, 1609
Legal description	Erf 18, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 492, Isando Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng	Re of Erf 236, Isando, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 609, Isando, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 1962, Zwartkop Ext 24, City of Tshwane Metropolitan Municipality, Gauteng	Erf 909 and Erf 910 and Erf 562, Croydon, Ekurhuleni Metropolitan Municipality, Gauteng
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	86 156	154 735	11 631	16 571	19 133	57 737
GLA (m²)	35 333	23 461	9 902	Land	7 525	14 001
Date of inspection	23 July 2018	17 July 2018	2 August 2018		23 July 2018	16 July 2018
Capitalisation rate	9.25%	9.00%	9.00%		8.75%	9.00%
Net income after TI and capex at 31/08/2019	R17 270 402.00	R19 640 808.00	R8 575 200.00		R10 879 800.00	R12 102 321.00
Estimated capital value @ 31/08/2018	R186 707 046.00	R218 231 200.00	R95 280 000.00		R124 340 571.43	R134 470 233.33
Market Value as at 31 August 2018 (Rounded)	R186 710 000.00	R218 230 000.00	R95 280 000.00		R124 340 000.00	R134 470 000.00
Development properties		Currently 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 stand 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.	Valued together with 4 Anvil Street, Isando, property ID A100. 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.	Valued together with Motor Head Office, property ID A05. The property is triangular shaped stand developed with a parkade linked to a regular shaped stand developed with a multi storey office block. 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, 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.

	7	8	9	10	11	12
PROPERTY CODE	A10	A103	A104	A105	A106	A107
Property name	Barloworld Equipment (Pty) Ltd – Middelburg	Barloworld Equipment (Pty) Ltd – Atom Street, Isando	Barloworld Equipment (Pty) Ltd – 20 Industrie Road, Isando	Barloworld Power, Handling and Agriculture – 136 Main Reef Road, Satmar, Boksburg	Barloworld Power, Handling and Agriculture – 136 Main Reef Road, Satmar, Boksburg	Barloworld Power, Handling and Agriculture – 136 Main Reef Road, Satmar, Boksburg
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	41 Kilo Street, Vaalbank, Middelburg	3 Atom Street, Isando	20 Industrie Road, Isando	136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg	136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg	136 Main Reef Road, Dunswart, Satmar Ext 2, Boksburg
Legal description	Ptn 68 and Ptn 79 of Erf 3950, Middelburg Ext 11, Steve Tshwete Local Municipality, Mpumalanga	Erf 681, Isando Ext 1, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 495, Isando Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 15, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 16, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 17, Satmar Ext 2, City of Ekurhuleni Metropolitan Municipality, Gauteng
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land	Land and buildings	Land and buildings
Area of site (m²)	46 291	2 756	23 276	24 438	61	101 493
GLA (m²)	9 834	3 381	6 042	28 079		
Date of inspection	19 July 2018	17 July 2018	17 July 2018	23 July 2018		
Capitalisation rate	9.50%	9.00%	9.00%	9.50%		
Net income after TI and capex at 31/08/2019	R5 358 386.86	R2 649 816.00	R4 429 572.00	R17 658 287.40		
Estimated capital value @ 31/08/2018	R56 404 072.25	R29 442 400.00	R56 496 806.00	R185 876 703.00		
Market Value as at 31 August 2018 (Rounded)	R56 400 000.00	R29 440 000.00	R56 500 000.00	R185 880 000.00		
Development properties			Property under redevelopment to accommodate a new corporate office and semi-basement car parking at an estimated cost of R98 386 308.00. An amount of around R699 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.			
Commentary	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.	The property comprises of a multiple storey residential structure incorporating ancillary facilities and parking. Access to the main building is off Industries and Atom Streets.	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.	The property comprises three individual stands (erven 15, 16 and 17). Erf 15 is a swampy area.	The property comprises three individual stands (erven 15, 16 and 17). Erf 16 is a small strip used for parking.	The property comprises three individual stands (erven 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.

	13	14	15	16	17	18
PROPERTY CODE	A116	A12	A13	A14	A15	A17
Property name	Barloworld Equipment (Pty) Ltd – 17 Peter Barlow Drive, Bellville, Cape Town	Barloworld Isuzu Johannesburg – City Deep	Toyota Witbank – Emalaheni (Witbank)	BMW Club Motors Fountains – Pretoria	GM Pretoria Zambezi and Avis Zambezi	John Williams Langenhovenpark – Bloemfontein
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	17 Peter Barlow Drive, Bellville, Cape Town	1 Impex Ave, City Deep, Johannesburg, 2197	111 OR Tambo Street, Die Heuwel Ext 8, Emalaheni (Witbank)	84 Harmony Street, Muckleneuk, Pretoria	260 Veronica Rd, Monta AH, Magalieskruin, 0186	20 Cp Hoogenhout Street, Spitskop, Langenhoven Park Ext 8, Bloemfontein
Legal description	Erf 34062 Bellville, City of Cape Town, Western Cape	Erven 239 and 246, City Deep Ext 11, City of Johannesburg, Gauteng	Ptn 1 and RE of Erf 1172, Die Heuwel Ext 8, Emalaheni Local Municipality, Mpumalanga	Erf 916, Muckleneuk, City of Tshwane Metropolitan Municipality, Gauteng	Erf 1020, Magalieskruin Ext 74, City of Tshwane Metropolitan Municipality, Gauteng	Erf 1462 and Erf 1568, Langenhoven Park Ext 8, Mangaung Metropolitan Municipality, Free State
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	52 679	101 493	13 484	7 719	24 666	21 313
GLA (m²)	10 087	8 147	5 370	4 884	5 256	5 592
Date of inspection	5 Sept 2018	2 August 2018	18 July 2018	23 July 2018	23 July 2018	24 July 2018
Capitalisation rate	9.00%	8.75%	8.75%	8.50%	8.75%	8.50%
Net income after TI and capex at 31/08/2019	R4 334 745.00	R7 905 332.62	R5 515 579.00	R7 157 256.00	R7 807 680.00	R6 945 281.00
Estimated capital value @ 31/08/2018	R48 163 833.33	R90 346 658.47	R63 035 191.00	R84 203 011.76	R89 230 628.57	R81 709 188.24
Market Value as at 31 August 2018 (Rounded)	R48 160 000.00	R90 350 000.00	R63 040 000.00	R84 200 000.00	R89 230 000.00	R81 710 000.00
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 800m ² 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.

	19	20	21	22	23	24
PROPERTY CODE	A18	A87	A19	A20	A21	A22
Property name	Toyota Middelburg (Dealership) – Middelburg	Toyota Middelburg (Vacant land) – 33 Dolerite Crescent, Aerorand South, Middelburg Ext 26	Barons N1 City and Audi N1 City – Goodwood	Ford Pietermaritzburg – Pietermaritzburg	Avis Marlboro – Eastgate Ext 11	Ford Pinetown – Pinetown
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	31 Dolerite Cres, Aerorand South, Middelburg Ext 26	33 Dolerite Cres, Aerorand South, Middelburg Ext 26	Cnr of Mallach and Giel Basson Drive, Goodwood	Chatterton Rd, Town Hill, Pietermaritzburg, 3200	Polympia Street, Eastgate Ext 11	113 Old Main Road, Pinetown
Legal description	Ptn 9, Erf 10768, Middelburg Ext 26, Steve Tshwete Local Municipality, Mpumalanga	Ptn 10, Erf 10768, Middelburg Ext 26, Steve Tshwete Local Municipality, Mpumalanga	Erf 36557 and 36558, Goodwood, City of Cape Town, Western Cape	Ptn 15, Erf 1556, Pietermaritzburg, Msunduzi, KwaZulu-Natal	Erf 321, Eastgate Ext 11, City of Johannesburg, Gauteng	Erf 4005, Pinetown, Ethekwini, KwaZulu-Natal
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	18 222	5 367	18 084	9 747	22 864	13 054
GLA (m²)	6 908	Land	9 278	4 547	4 929	5 370
Date of inspection	18 July 2018		17 July 2018	25 July 2018	25 July 2018	25 July 2018
Capitalisation rate	8.75%	0.00%	8.75%	8.75%	8.75%	8.75%
Net income after TI and capex at 31/08/2019	R5 944 411.00	n/a	R13 556 771.00	R4 862 460.00	R3 106 740.00	R3 981 168.00
Estimated capital value @ 31/08/2018	R67 936 127.00		R154 934 523.00	R55 570 971.43	R35 505 600.00	R45 501 497.14
Market Value as at 31 August 2018 (Rounded)	R67 940 000.00		R154 930 000.00	R55 570 000.00	R35 510 000.00	R45 500 000.00
Development properties					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.	
Commentary	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.	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.	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.	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.	The property is used by Avis and comprises an office block with warehouses and covered parking.	The site is an irregular shaped stand which is developed with a motor vehicle dealership accommodating showrooms, workshop and car park facilities. During our site inspection, we noted that the motor showroom was under renovation which is expected to be completed in September 2018.

	25	26	27	28	29	30
PROPERTY CODE	A23	A24	A25	A26	A28	A30
Property name	Leach Toyota – Kuruman	Toyota Taxi Centre – Kuils River	Freight/Energy 45 Eden Park Drive, Mkondeni, Pietermaritzburg	Ford N1 City – Goodwood	Barons Pietermaritzburg 9 Armitage Road, Town Hill, Pietermaritzburg	Audi Centre Bruma, 14 Ernest Oppenheimer Rd Bruma
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	Main Street, Kuruman, 8460	124 Van Riebeeck Road, Kuils River Industria, Kuils River	45 Eden Park Drive, Mkondeni, Pietermaritzburg	1 Willie Faasen Street, N1 City, Goodwood	9 Armitage Road, Town Hill, Pietermaritzburg	14 Ernest Oppenheimer Road, Bruma, 2026
Legal description	Erf 6033, Kuruman, Ga Segonyana Municipality, Northern Cape	Erf 7960, Kuils River, City of Cape Town, Western Cape	Ptn 5, Erf 194, Shortts Retreat, Msunduzi, KwaZulu-Natal	Erf 39241, Goodwood, City of Cape Town, Western Cape	Ptn 16, Erf 1556, Pietermaritzburg, Msunduzi, KwaZulu-Natal	Ptn 66, Erf 201, Bruma, City of Johannesburg, Gauteng
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	12 110	4 995	56 298	5 591	14 689	9 212
GLA (m²)	3 889	1 924	5 009	3 209	4 371	2 967
Date of inspection	13 July 2018	18 July 2018	26 July 2018	16 July 2018	25 July 2018	8 August 2018
Capitalisation rate	9.25%	9.25%	10.25%	8.75%	8.75%	8.50%
Net income after TI and capex at 31/08/2019	R2 022 492.00	R1 847 216.00	R4 608 005.00	R5 218 559.00	R4 891 652.12	R4 482 036.00
Estimated capital value @ 31/08/2018	R21 864 778.38	R19 969 899.00	R44 956 146.34	R59 640 669.26	R55 904 595.66	R52 729 835.29
Market Value as at 31 August 2018 (Rounded)	R21 860 000.00	R20 000 000.00	R44 960 000.00	R59 640 000.00	R55 900 000.00	R52 730 000.00
Development properties						
Commentary	The property has been improved by means of several retail and industrial type structures and has been converted into a retail motor dealership facility.	The property, which comprises land, improved with a recently refurbished modern motor dealership, with showrooms, offices, workshop and car parking facilities.	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.	The improvements comprising the property feature a modern motor vehicle dealership, with showrooms, workshop and multi-level car parking facilities.	The irregular shaped site is developed with two motor vehicle dealerships, with showrooms, workshop, stores and parking facilities.	The improvements comprising the property feature a modern motor vehicle dealership, with showrooms, workshop and car parking facilities.

	31	32	33	34	35	36
PROPERTY CODE	A31	A34	A36	A37	A39	A42
Property name	Ford Alberton 12 Redruth Street, Redruth, Alberton	Ford Parts Selby, 53 Trump Street, Selby	Toyota Kuils River Hino	Toyota Kuils River 124 Van Riebeeck Road, Kuils River Industria	Barloworld Equipment (Pty) Ltd – Bloemfontein	Toyota Kuils River PDI Centre, 3 Energie Street, Industria, Kuils River
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	12 Redruth Street, Cnr Voortrekker and Redruth Alberton	53 Trump Street West and 51 Igtius Street, Selby Ext 4, Johannesburg	3 Energie Street, Industria, Kuils River	124 Van Riebeeck Road, Kuils River Industria, Kuils River	244 Church Street, Hamilton, Bloemfontein	3 Energie Street, Industria, Kuils River
Legal description	Erf 1117, New Redruth, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 372 and Erf 373, Selby Ext 4, City of Johannesburg, Gauteng	Erf 24348, Kuils River, City of Cape Town, Western Cape	Erf 24167, Kuils River, City of Cape Town, Western Cape	Remaining Extent of Erf 25009, Bloemfontein, Mangaung Metropolitan Municipality, Free State	Erf 6434/5/6, Kuils River, City of Cape Town, Western Cape
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	10 779	5 132	6 180	9 235	21 201	7 433
GLA (m²)	3 890	3 144	2 381	2 789	5 264	768
Date of inspection	13 August 2018	8 August 2018	18 July 2018	18 July 2018	24 July 2018	18 July 2018
Capitalisation rate	8.75%	9.50%	9.25%	8.75%	9.00%	9.25%
Net income after TI and capex at 31/08/2019	R4 431 240.00	R1 165 092.00	R1 825 094.00	R3 108 960.00	R1 243 212.00	R2 199 785.00
Estimated capital value @ 31/08/2018	R50 642 742.86	R12 264 126.32	R19 730 745.95	R35 530 971.43	R13 813 466.67	R23 781 465.00
Market Value as at 31 August 2018 (Rounded)	R50 640 000.00	R12 260 000.00	R19 730 000.00	R35 530 000.00	R13 810 000.00	R23 780 000.00
Development properties						
Commentary	The property which comprises land improved with a modern motor dealership, with showrooms, workshop and car parking facilities.	The property consists of two erven that have been notarial tied. The property comprises of land which is improved with a warehouse, parking and offices.	The improvements comprising the property feature a modern Hino Service Centre, with offices, workshop, storage, a car wash facility and truck parking yard.	The improvements comprising the property feature a modern motor vehicle dealership, with showrooms, workshop and car parking facilities.	Measured areas differ due to the addition of the new heavy equipment painting and wash bay structure (307m ²) that was completed in February 2017.	The property, which comprises land, improved with a vehicle service facility prominently situated at the corner of Van Riebeeck Road and Energie Street in Kuils River. The improvements comprising the property feature a modern Hino Service Centre, with offices, workshop, storage, a car wash facility and truck parking yard.

	37	38	39	40	41	42
PROPERTY CODE	A43	A44	A47	A50	A51	A53
Property name	Avis Port Elizabeth Office	Blackheath 125 Dymo Way, Wimbledon Estate, Blackheath	Cape Town Airport Parking	Barloworld Equipment (Pty) Ltd Kathu	BMW Club Motors Fountains ARC	Barons Tokai 171 Tokai Road Ext, Tokai, Cape Town
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	Port Elizabeth airport property, 4 – 8 de Havilland Street, Jet Park, Walmer	25 Dymo Way, Wimbledon Estate, Blackheath	Cape Town Airport Parking, 17 Unmade Public Road	4 Ian Flemming St, Kathu, 8446	629 Steve Biko Rd and 626 8th Avenue, Gezi, Pretoria, 0031	171 Tokai Road Ext, Tokai, Cape Town, 7945
Legal description	Erf 11674, Walmer, Nelson Mandela Bay Metropolitan Municipality, Eastern Cape	Erf 934, Blackheath, City of Cape Town, Western Cape	Erf 166133, Cape Town, City of Cape Town, Western Cape	Erf 1411, Kathu, Gamagara Municipality, Northern Cape	Erf 725 and Erf 103 and RE of Erf 103 and RE of Erf 120, Gezi, City of Tshwane Metropolitan Municipality, Gauteng	Erf 166174, Cape Town, City of Cape Town, Western Cape
Tenure/onerous title conditions	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.	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	12 664	19 145	20 938	8 750	9 570	6 253
GLA (m²)	1 748	3 191	4 483	3 075	3 874	2 928
Date of inspection	17 July 2018	16 July 2018	16 July 2018	13 July 2018	8 August 2018	16 July 2018
Capitalisation rate	9.25%	9.25%	9.00%	9.50%	9.25%	8.75%
Net income after TI and capex at 31/08/2019	R1 060 384.00	R2 958 293.70	R6 120 000.00	R2 019 922.00	R2 002 493.00	R3 766 452.00
Estimated capital value @ 31/08/2018	R11 463 613.00	R31 981 553.51	R68 000 000.00	R21 262 336.00	R21 648 577.00	R43 045 165.71
Market Value as at 31 August 2018 (Rounded)	R11 460 000.00	R31 980 000.00	R68 000 000.00	R21 260 000.00	R21 650 000.00	R43 050 000.00
Development properties						
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 shadenet 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.

	43	44	45	46	47	48
PROPERTY CODE	A55	A56	A58	A60	A62	A63
Property name	Coachworks Isando 13 Diesel Road, Isando	Barloworld Equipment (Pty) Ltd 1 Gamma Road, Germiston	Manline MEGA and Freight – Corner Road 5 and Road 3, Brentwood Park, Benoni	DTS – 20 Industrial Road, Kraaifontein Industria	Barloworld Equipment (Pty) Ltd – East London	Barloworld Equipment (Pty) Ltd, Middelburg Ext 11
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	13 Diesel Road, Isando	1 Gamma Road, Germiston Central, Germiston Ext 4	Corner Road 5 and Road 3, Brentwood Park, Plantation, Benoni	20 Industrial Road, Kraaifontein Industria, Western Cape	2 Portland Road, Woodbrook, East London	Corner Watt Street and Liter Street, Vaalbank, Middelburg Ext 11
Legal description	Erf 173, Isando, City of Ekurhuleni Metropolitan Municipality, Gauteng	Erf 1656, Germiston Ext 7, City of Ekurhuleni Metropolitan Municipality, Gauteng	Ptn 95, Farm 66 – I.R "Rietpan", Gauteng	Erf 13704, Kraaifontein, City of Cape Town, Western Cape	Erf 18931, East London, Buffalo City Metropolitan Municipality, Eastern Cape	Ptn 7, Erf 3948, Middelburg Ext 11, Steve Tshwete Local Municipality, Mpumalanga
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	7 334	11 097	20 229	11 579	7 984	14 590
GLA (m²)	4 468	5 496	1 688	1 800	1 924	3 934
Date of inspection	13 August 2018	8 August 2018	20 August 2018	18 July 2018	16 July 2018	19 July 2018
Capitalisation rate	9.00%	11.00%	10.00%	8.75%	9.75%	9.50%
Net income after TI and capex at 31/08/2019	R2 293 920.00	R2 335 430.00	R1 889 740.42	R1 804 688.00	R705 088.00	R1 865 359.00
Estimated capital value @ 31/08/2018	R25 488 000.00	R21 231 185.00	R18 897 404.16	R20 625 010.00	R7 231 670.00	R19 635 361.00
Market Value as at 31 August 2018 (Rounded)	R25 490 000.00	R21 230 000.00	R18 900 000.00	R20 630 000.00	R7 230 000.00	R19 640 000.00
Development properties						
Commentary	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.	The improvements comprising the property feature administration offices and a large warehouse facility.	The property comprises of a large rectangular shaped site improved with a double volume workshop facility incorporating adjoining double storey office components enveloped 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.	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.	The improvements of the property feature a large workshop, with offices and a large yard area of which only a part thereof is paved.	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 shadenet parking on site as well as paved yard areas.

	49	50	51	52	53	54
PROPERTY CODE	A65	A67	A68	A70	A73	A46
Property name	SMD Zandfontein – Hornsnek Road, Kirkney, Pretoria	Barloworld Equipment (Pty) Ltd – Pietersburg Ext 3	Barloworld Equipment (Pty) Ltd – Nelspruit Ext 3	John Williams Ladybrand – 44 Princess St, Ladybrand	John Williams Welkom (Dealership) – 72 Jan Hofmeyer Rd, Welkom	John Williams Welkom (Dealership and vacant land)
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	Portion 131 Zandfontein (317-JR). Hornsnek Road, Kirkney, Pretoria	14 22nd Street, Industria, Pietersburg Ext 3	9B Heyneke Street, Nelspruit Industrial, Nelspruit Ext 3	44 Princess St, Ladybrand, 9745	72 Jan Hofmeyer Rd, Welkom Central, Welkom Ext 31, 9460	72 Jan Hofmeyer Rd, Welkom Central, Welkom Ext 31, 9460
Legal description	RE of Ptn 131 of the Farm 317 Zandfontein, JR, Gauteng	Erf 2194, Pietersburg Ext 3, Polokwane Local Municipality, Limpopo	Remaining Extent of Erf 706, Nelspruit Ext 3, Mbombela Local Municipality, Mpumalanga	Erf 1682, Ladybrand, Mantsopa Local Municipality, Free State	Ptn 2, Erf 10707, Welkom Ext 31, Matjhabeng Local Municipality, Free State	Ptn 3, Erf 10707, Welkom Ext 31, Matjhabeng Local Municipality, Free State
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	122 112	7 138	7 710	4 232	7 000	3 000
GLA (m²)	820	839	1 790	1 419	Land	2 819
Date of inspection	8 August 2018	20 July 2018	10 July 2018	10 August 2018	23 July 2018	23 July 2018
Capitalisation rate	9.50%	9.25%	9.50%	9.75%	n/a	9.00%
Net income after TI and capex at 31/08/2019	R590 541.00	R523 401.60	R731 446.00	R513 555.00	R0.00	R2 815 380.00
Estimated capital value @ 31/08/2018	R6 216 217.65	R5 658 395.68	R7 699 427.00	R5 267 230.77	R31 282 000.00	
Market Value as at 31 August 2018 (Rounded)	R6 220 000.00	R5 660 000.00	R7 700 000.00	R5 270 000.00	R31 280 000.00	
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.

	55	56	57	58	59	60
PROPERTY CODE	A75	A77	A78	A80	A82	A84
Property name	Barloworld Equipment (Pty) Ltd – 10 – 12 Milli Street and 3-5 Volt Street, Middelburg	SMD Chamdor – C/o Adcock St and Jacob Street, Chamdor, Krugersdorp	SMD Vereeniging – Anton Stegman St, Vereeniging	SMD Port Elizabeth – Addo Rd, Wells Estate	Avis Pretoria (Combined), 70 Francis Baard Street, Pretoria	Avis Nelspruit – Nelspruit, Riverside Park Ext. 24
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018	31 August 2018
Address	10 – 12 Milli Street and 3 – 5 Volt Street, Middelburg	C/o Adcock St and Jacob Street, Chamdor, Krugersdorp, 1754	Anton Stegman St, Roods Gardens AH, Vereeniging, 1930	Addo Rd, Wells Estate, Port Elizabeth, 6000	Avis Pretoria (Combined), 70 Francis Baard Street, Pretoria Central, Pretoria, 0002	Nelspruit, Riverside Park Ext. 24
Legal description	Ptn 15 and 16 and 34 and 74, Erf 3950, Middelburg Ext 11, Steve Tshwete Local Municipality, Mpumalanga	Ptn 1 – 4, Erf 258, Chamdor Ext 1, Mogale City Local Municipality, Gauteng	Ptn 216, Farm 594, Iq, Gauteng	Re of Erf 615 Ptn of 590, Wells Estate, Nelson Mandela Bay Metropolitan Municipality, Eastern Cape	Erf 3595, Pretoria, City of Tshwane Metropolitan Municipality, Gauteng	Ptn 10, Erf 909, Riverside Park Ext 24, Mbombela Local Municipality, Mpumalanga
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings
Area of site (m²)	9 910	17 795	22 130	12 488	4 848	2 628
GLA (m²)	4 102	470	3 023	199	499	890
Date of inspection	19 July 2018	27 August 2018	27 August 2018	17 August 2018	15 August 2018	10 July 2018
Capitalisation rate	9.75%	9.00%	10.25%	10.00%	9.00%	9.50%
Net income after TI and capex at 31/08/2019	R2 070 754.00	R766 800.00	R1 345 038.00	R440 706.78	R451 177.00	R777 748.00
Estimated capital value @ 31/08/2018	R21 238 507.00	R8 520 000.00	R13 122 324.00	R4 407 067.85	R5 013 080.00	R8 186 820.00
Market Value as at 31 August 2018 (Rounded)	R21 240 000.00	R8 520 000.00	R13 120 000.00	R4 410 000.00	R5 010 000.00	R8 190 000.00
Development properties					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.	
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, is improved with a standalone single storey office building and a standalone auction shelter.	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 ablutions, 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.	The property, which comprises land, improved with an Avis Rental. The improvements comprising the property feature offices and parking facilities.	The property, which comprises land, improved with an Avis Rental. The improvements comprising the property feature standalone single storey offices and parking facilities.

	61	62	63	64	64 properties
PROPERTY CODE	A86	A91	A93	A96	Totals
Property name	SMD Nelspruit – 18C Wilkens Rd, Rocky Drift, Nelspruit	Avis Roodepoort – 499 Ontdekkers Road, Florida Hills	Avis Menlyn (Combined), 62 25th St, Pretoria	Avis Rustenburg – Avis Rustenburg, 54 von Wielligh Street	
Effective date of valuation	31 August 2018	31 August 2018	31 August 2018	31 August 2018	
Address	18C Wilkens Rd, Rocky Drift, Nelspruit, 1200	499 Ontdekkers Road, Florida Hills, Roodepoort	Avis Menlyn (Combined) 62 25th St, Pretoria, Menlyn, 0081	Avis Rustenburg, 54 von Wielligh Street	
Legal description	Re of Erf 38, Rocky Drift Ext 2, Mbombela Local Municipality, Mpumalanga	Erf 109, Florida Hills, City of Johannesburg, Gauteng	Erf 980, Menlo Park, City of Tshwane Metropolitan Municipality, Gauteng	Ptn 4, Erf 1170, Rustenburg, Rustenburg Local Municipality, North-West	
Tenure/onerous title conditions	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	Freehold. No onerous conditions of Title to report	All properties are freehold and there are no onerous conditions detailed in the Title Deed
Land and/or buildings	Land and buildings	Land and buildings	Land and buildings	Land and buildings	
Area of site (m²)	5 418	1 497	3 091	1 651	
GLA (m²)	119	244	201	164	
Date of inspection	10 July 2018	27 August 2018	15 August 2018	16 August 2018	July and August 2018
Capitalisation rate	9.75%	9.00%	8.50%	9.25%	9.06%
Net income after TI and capex at 31/08/2019	R211 191.00	R308 700.00	R503 448.00	R158 974.00	
Estimated capital value @ 31/08/2018	R2 166 061.54	R3 430 000.00	R5 922 917.65	R1 718 635.00	
Market Value as at 31 August 2018 (Rounded)	R2 170 000.00	R3 430 000.00	R5 920 000.00	R1 720 000.00	R2 754 617 400
Development properties					
Commentary	The property improvements feature standalone single storey offices and parking facilities.	The property, which comprises land, improved with an Avis Rental. The improvements comprising the property feature offices and parking facilities.	The property, which comprises land, improved with an Avis Rental. The improvements comprising the property feature offices and parking facilities.	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.	

	1	2	3	4	5	6
Property code	A01	A03	A05	A07	A08	A10
Registered owner	Barloworld Limited	Barloworld Limited	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld Limited
Registered owner – Co. reg. number	1918/000095/06	1918/000095/06	1946/021661/07	1946/021661/07	1946/021661/07	1918/000095/06
Barloworld tenant/trading division	Barloworld Equipment	Barloworld Equipment	Barloworld Automotive Head Office, Isando	Toyota Centurion & Avis	Avis Croydon & Head office & Taj	Barloworld Equipment
Tenant – registered name	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Internal triple-net lease – Barloworld South Africa (Pty) Ltd (divisions – Avis Fleet Services, Corporate Office, Salaries, IT & DDS)	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T1402/2010	T32480/1995	T20239/2006	T89070/2008	T51471/2010 & T51470/2010 & T23132/2013	T59602/95 & T12980/2009
Internal lease (Yes/No)	Yes	Yes	Yes	No	No	Yes
Lease expiry	2020/09/30	2020/09/30	2019/11/30	n/a	n/a	2020/09/30
Rental monthly 2019	R2 763 208.57	R4 941 615.63	R1 527 716.89	R1 345 038.80	R405 488.59	R761 992.30
Rental annual 2019	R33 158 502.84	R59 299 387.56	R18 332 602.73	R16 140 465.65	R4 865 863.06	R9 143 907.60
Broll market-related rental monthly 2019	R1 439 200.00	R1 636 734.00	R626 600.00	R906 650.00	R1 008 527.00	R446 532.00
Broll market-related annual rental 2019	R17 270 402.00	R19 640 808.00	R7 519 200.00	R10 879 800.00	R12 102 321.00	R5 358 387.00
Broll valuation 31 August 2018	R186 710 000.00	R218 230 000.00	R95 280 000.00	R124 340 000.00	R134 470 000.00	R56 400 000.00
Broll cap rate	9.25%	9.00%	7.89%	8.75%	9.00%	9.50%

	7	8	9	10	11	12
Property code	A100	A103	A104	A105	A106	A107
Registered owner	Barloworld South Africa (Pty) Ltd	Barloworld Limited	Barloworld Limited	Warden & Hotchkiss Limited	Warden & Hotchkiss Limited	Warden & Hotchkiss Limited
Registered owner – Co. reg. number	1946/021661/07	1918/000095/06	1918/000095/06	1934/005599/06	1934/005599/06	1934/005599/06
Barloworld tenant/trading division	Barloworld Automotive Parking, Isando	Barloworld Equipment	Barloworld Equipment	Barloworld Equipment, Power & Handling	Barloworld Equipment, Power & Handling	Barloworld Equipment, Power & Handling
Tenant – registered name	Internal triple-net lease – Barloworld South Africa (Pty) Ltd (divisions – Avis Fleet Services, Corporate Office, Salaries, IT & DDS)	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd & BHBW South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd & BHBW South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd & BHBW South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	Yes, net-rental
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	Yes, operating costs
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T62199/2006	T15647/2010	T47075/2008	T2156/2000	T2156/2000	T5384/2001
Internal lease (Yes/No)	No	No	Yes	Yes	Yes	Yes & sub-lease
Lease expiry	n/a	n/a	2020/09/30	2020/09/30	2020/09/30	2020/09/30 & 2019/02/28
Rental monthly 2019	R–	R32 743.21	R46 974.67	R–	R–	R771 004.28
Rental annual 2019	R–	R392 918.52	R563 696.04	R–	R–	R9 252 051.36
Broll market-related rental monthly 2019	R88 000.00	R226 480.00	R369 131.00	R–	R–	R1 517 035.00
Broll market-related annual rental 2019	R1 056 000.00	R2 717 760.00	R4 429 572.00	R–	R–	R17 658 287.00
Broll valuation 31 August 2018	R–	R29 440 000.00	R56 500 000.00	R–	R–	R185 880 000.00
Broll cap rate		9.23%	7.84%			9.50%

	13	14	15	16	17	18
Property code	A116	A12	A13	A14	A15	A17
Registered owner	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld Auto (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd
Registered owner – Co. reg. number	1946/021661/07	1946/021661/07	2007/029286/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld tenant/trading division	Barloworld Equipment	Barloworld Isuzu Johannesburg	Toyota Witbank	BMW Fountains	GM Pretoria Zambezi & Avis Zambezi	John Williams Motors Langenhovenpark
Tenant – registered name	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd & Rent-A-Car a division of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	Yes, net-rent & operating costs	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T40504/2016	T39642/2009	T150/2017 & T1530/2017	T19341/2010	T40848/2011	T15121/2008
Internal lease (Yes/No)	No & sub-lease	No	Yes	No	No	No
Lease expiry	2019/02/28	n/a	No term specified – indefinite (initial term expired)	n/a	n/a	n/a
Rental monthly 2019	R–	R1 026 270.31	R676 355.81	R842 173.24	R717 920.98	R821 752.83
Rental annual 2019	R–	R12 315 243.76	R8 116 269.72	R10 106 078.92	R8 615 051.78	R9 861 033.97
Broll market-related rental monthly 2019	R361 229.00	R658 778.00	R459 632.00	R596 438.00	R650 640.00	R578 773.00
Broll market-related annual rental 2019	R4 334 745.00	R7 905 333.00	R5 515 579.00	R7 157 256.00	R7 807 680.00	R6 945 281.00
Broll valuation 31 August 2018	R48 167 400.00	R90 350 000.00	R63 040 000.00	R84 200 000.00	R89 230 000.00	R81 710 000.00
Broll cap rate	9.00%	8.75%	8.75%	8.50%	8.75%	8.50%

	19	20	21	22	23	24
Property code	A18	A19	A20	A21	A22	A23
Registered owner	Barloworld South Africa (Pty) Ltd	Clidet No 618 (Pty) Ltd	Clidet No 620 (Pty) Ltd	Barloworld Auto (Pty) Ltd	Clidet No 629 (Pty) Ltd	Barloworld Auto (Pty) Ltd
Registered owner – Co. reg. number	1946/021661/07	2005/039046/07	2005/038700/07	2007/029286/07	2005/040282/07	2007/029286/07
Barloworld tenant/trading division	Toyota Middelburg (Dealership)	Barons N1 City & Audi N1 City	Ford Pietermaritzburg	Avis Marlboro	Ford Pinetown	Leach Toyota
Tenant – registered name	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T9621/2008	T7431/2007	T57590/2006	T82078/2017	T11900/2007	T1239/2016
Internal lease (Yes/No)	Yes	Yes	No	No	Yes	Yes
Lease expiry	2024/03/31	2022/04/30	n/a	n/a	2021/09/30	No term specified – indefinite (initial term expired)
Rental monthly 2019	R941 399.05	R1 009 769.47	R442 218.97	R30 000.00	R467 831.88	R205 234.80
Rental annual 2019	R11 296 788.64	R12 117 233.65	R5 306 627.65	R360 000.00	R5 613 982.56	R2 462 817.57
Broll market-related rental monthly 2019	R495 368.00	R1 129 731.00	R405 205.00	R258 895.00	R342 043.00	R168 541.00
Broll market-related annual rental 2019	R5 944 411.00	R13 556 771.00	R4 862 460.00	R3 106 740.00	R3 981 381.00	R2 022 492.00
Broll valuation 31 August 2018	R67 940 000.00	R154 930 000.00	R55 570 000.00	R35 510 000.00	R45 500 000.00	R21 860 000.00
Broll cap rate	8.75%	8.75%	8.75%	8.75%	8.75%	9.25%

	25	26	27	28	29	30
Property code	A24	A25	A26	A28	A30	A31
Registered owner	Barloworld South Africa (Pty) Ltd	Manline Properties (Pty) Ltd	Barloworld Auto (Pty) Ltd	Barloworld Auto (Pty) Ltd	Cidnet No 613 (Pty) Ltd	Barloworld Auto (Pty) Ltd
Registered owner – Co. reg. number	1946/021661/07	2003/020559/07	2007/029286/07	2007/029286/07	2005/038555/07	2007/029286/07
Barloworld tenant/trading division	Toyota Kuilsrivier Taxi Centre	Freight/Energy	Ford N1 City	Audi and Barons Pietermaritzburg	Audi Centre Bruma	Ford Alberton
Tenant – registered name	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Transport (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1998/005024/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T53219/2009	T38672/2005	T62542/2015	T7222/2017	T81009/2006	T37842/2017
Internal lease (Yes/No)	No	No	No	Yes	Yes	No
Lease expiry	n/a	n/a	n/a	No term specified – indefinite (initial term expired)	2021/03/31	n/a
Rental monthly 2019	R167 396.00	R368 000.00	R515 428.12	R709 808.97	R464 504.09	R468 518.39
Rental annual 2019	R2 008 752.00	R4 416 000.00	R6 185 137.45	R8 517 707.67	R5 574 049.04	R5 622 220.63
Broll market-related rental monthly 2019	R158 696.00	R395 877.00	R434 880.00	R420 245.00	R373 503.00	R369 270.00
Broll market-related annual rental 2019	R1 847 216.00	R4 608 005.00	R5 218 559.00	R4 891 652.00	R4 482 036.00	R4 431 240.00
Broll valuation 31 August 2018	R20 000 000.00	R44 960 000.00	R59 640 000.00	R55 900 000.00	R52 730 000.00	R50 640 000.00
Broll cap rate	9.24%	10.25%	8.75%	8.75%	8.50%	8.75%

	31	32	33	34	35	36
Property code	A34	A36	A37	A39	A42	A43
Registered owner	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld Limited	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd
Registered owner – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1918/000095/06	1946/021661/07	1946/021661/07
Barloworld tenant/trading division	Ford Parts Selby	Hino Kuilsriver	Toyota Kuilsriver	Barloworld Equipment	Toyota Kuilsriver PDI Centre	Avis Port Elizabeth
Tenant – registered name	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T82262/2003	T54852/2014	T37941/2015	T15435/1995	T14908/2014	T49700/2012CTN
Internal lease (Yes/No)	No	No	No	Yes	No	No
Lease expiry	n/a	n/a	n/a	2020/09/30	n/a	n/a
Rental monthly 2019	R115 145.18	R253 888.57	R425 073.44	R103 989.50	R145 423.56	R319 807.91
Rental annual 2019	R1 381 742.19	R3 046 662.85	R5 100 881.30	R1 247 874.00	R1 745 082.66	R3 837 694.95
Broll market-related rental monthly 2019	R97 091.00	R156 795.00	R259 080.00	R103 601.00	R188 985.00	R88 365.00
Broll market-related annual rental 2019	R1 165 092.00	R1 825 094.00	R3 108 960.00	R1 243 212.00	R2 199 785.00	R1 060 384.00
Broll valuation 31 August 2018	R12 260 000.00	R19 730 000.00	R35 530 000.00	R13 810 000.00	R23 780 000.00	R11 460 000.00
Broll cap rate	9.50%	9.25%	8.75%	9.00%	9.25%	9.25%

	37	38	39	40	41	42
Property code	A44	A46	A47	A50	A51	A53
Registered owner	Barloworld Auto (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld Auto (Pty) Ltd	Barloworld Auto (Pty) Ltd
Registered owner – Co. reg. number	2007/029286/07	1946/021661/07	1946/021661/07	1946/021661/07	2007/029286/07	2007/029286/07
Barloworld tenant/trading division	Blackheath 1	John Williams Motors Welkom (Vacant land)	Avis Cape Town Airport	Barloworld Equipment	BMW Club Motors Fountains ARC 1	Barons Tokai
Tenant – registered name	Internal triple-net lease – Barloworld South Africa (Pty) Ltd (divisions – Avis Fleet Services, Corporate Office, Salaries, IT & DDS)	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T29824/2017	T8013/2010	T55/2005	T1962/2011	T10562/2015 & T10563/2015	T1327/2016
Internal lease (Yes/No)	No	No	No	No	Yes	Yes
Lease expiry	n/a	n/a	n/a	n/a	No term specified – indefinite (initial term expired)	No term specified – indefinite (initial term expired)
Rental monthly 2019	R767 054.32	R23 477.54	R–	R–	R183 082.68	R290 600.65
Rental annual 2019	R9 204 651.82	R281 730.44	R–	R–	R2 196 992.16	R3 487 207.85
Broll market-related rental monthly 2019	R246 524.00	R3 750.00	R–	R168 327.00	R166 874.00	R323 600.00
Broll market-related annual rental 2019	R2 958 294.00	R45 000.00	R6 120 000.00	R2 019 922.00	R2 002 493.00	R3 766 704.00
Broll valuation 31 August 2018	R31 980 000.00	R–	R68 000 000.00	R21 260 000.00	R21 650 000.00	R43 050 000.00
Broll cap rate	9.25%		9.00%	9.50%	9.25%	8.75%

	43	44	45	46	47	48
Property code	A55	A56	A58	A60	A62	A63
Registered owner	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	BWTS Prop (Pty) Ltd	BWTS Prop (Pty) Ltd	Barloworld Limited	Barloworld South Africa (Pty) Ltd
Registered owner – Co. reg. number	1946/021661/07	1946/021661/07	2003/020559/07	2003/020559/07	1918/000095/06	1946/021661/07
Barloworld tenant/trading division	Coachworks Isando	Barloworld Equipment	Manline MEGA and Freight	DTS	Barloworld Equipment	Barloworld Equipment
Tenant – registered name	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Manline Freight (Pty) Ltd	Barloworld Transport (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	2013/002023/07	1998/005024/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	Yes, rent & operating costs	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T6222/2012	T40117/2012	T59463/2015	T59706/2014	T1504/2010	T10765/2012
Internal lease (Yes/No)	Yes	No	No	No	Yes & sub-lease	No
Lease expiry	2028/01/31	n/a	n/a	n/a	2019/02/28 & 2020/09/30	n/a
Rental monthly 2019	R247 031.02	R-	R136 000.00	R240 000.00	R68 810.30	R-
Rental annual 2019	R2 964 372.29	R-	R1 632 000.00	R2 880 000.00	R825 723.60	R-
Broll market-related rental monthly 2019	R191 160.00	R194 619.00	R157 478.00	R150 391.00	R58 757.00	R155 447.00
Broll market-related annual rental 2019	R2 293 920.00	R2 335 430.00	R1 889 740.00	R1 804 688.00	R705 088.00	R1 865 359.00
Broll valuation 31 August 2018	R25 490 000.00	R21 230 000.00	R18 900 000.00	R20 630 000.00	R7 230 000.00	R19 640 000.00
Broll cap rate	9.00%	11.00%	10.00%	8.75%	9.75%	9.50%

	49	50	51	52	53	54
Property code	A65	A67	A68	A70	A73	A75
Registered owner	Shawu Beleggings (Pty) Ltd	Barloworld Limited	Barloworld Limited	Barloworld South Africa (Pty) Ltd	CTH Magic Property Motor No 2 (Pty) Ltd	Barloworld South Africa (Pty) Ltd
Registered owner – Co. reg. number	1969/012193/07	1918/000095/06	1918/000095/06	1946/021661/07	2006/023055/07	1946/021661/07
Barloworld tenant/ trading division	SMD Zandfontein	Barloworld Equipment	Barloworld Equipment	John Williams Motors Ladybrand	John Williams Motors Welkom (Dealership)	Barloworld Equipment
Tenant – registered name	No Lease Agreement has been signed – occupied by tenant (Salvage Management and Disposals (Pty) Ltd)	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Barloworld Equipment a Division of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1999/025565/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Title deed	T102822/2016	T60274/95	T59603/95	T2548/2010	T20009/2007	T14224/2015
Internal lease (Yes/No)	No	Yes	Yes	Yes	Yes	No
Lease expiry	n/a	2020/09/30	2020/09/30	2023/12/31	2022/05/31	n/a
Rental monthly 2019	R384 001.76	R56 769.21	R45 983.51	R124 045.64	R247 663.25	R–
Rental annual 2019	R4 608 021.08	R681 230.52	R551 802.12	R1 488 547.63	R2 971 959.06	R–
Broll market-related rental monthly 2019	R49 212.00	R43 617.00	R60 954.00	R42 796.00	R234 615.00	R172 563.00
Broll market-related annual rental 2019	R590 541.00	R523 402.00	R731 446.00	R513 555.00	R2 815 380.00	R2 070 754.00
Broll valuation 31 August 2018	R6 220 000.00	R5 660 000.00	R7 700 000.00	R5 270 000.00	R31 280 000.00	R21 240 000.00
Broll cap rate	9.49%	9.25%	9.50%	9.74%	9.00%	9.75%

	55	56	57	58	59	60
Property code	A77	A78	A80	A82	A84	A86
Registered owner	Shawu Beleggings (Pty) Ltd	Shawu Beleggings (Pty) Ltd	Shawu Beleggings (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Shawu Beleggings (Pty) Ltd
Registered owner – Co. reg. number	1969/012193/07	1969/012193/07	1969/012193/07	1946/021661/07	1946/021661/07	1969/012193/07
Barloworld tenant/ trading division	SMD Chamdor	SMD Vereeniging	SMD Port Elizabeth	Avis Pretoria Down Town/Tshwane Dispatch	Avis Nelspruit	SMD Nelspruit
Tenant – registered name	Salvage Management and Disposals (Pty) Ltd	Salvage Management and Disposals (Pty) Ltd & sub-tenants (not signed)	Salvage Management and Disposals (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd	Salvage Management and Disposals (Pty) Ltd
Tenant – Co. reg. number	1999/025565/07	1999/025565/07	1999/025565/07	1946/021661/07	1946/021661/07	1999/025565/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	Yes	n/a	n/a	n/a	n/a
Title deed	T21299/2017	T30799/2017	T15478/2017CTN	T86918/2015	T1843/2015	T11710/2017
Internal lease (Yes/No)	Yes	Yes	Yes	No	No	Yes
Lease expiry	No term specified – indefinite (initial term expired)	No term specified – indefinite (initial term expired), 2018/12/31 & 2020/03/31	2018/09/30	n/a	n/a	2018/09/30
Rental monthly 2019	R104 976.00	R99 727.20	R83 980.80	R277 792.23	R73 034.40	R44 614.80
Rental annual 2019	R1 259 712.00	R1 196 726.40	R1 007 769.60	R3 333 506.80	R876 412.80	R535 377.60
Broll market-related rental monthly 2019	R63 900.00	R112 087.00	R36 726.00	R37 598.00	R64 812.00	R17 599.00
Broll market-related annual rental 2019	R766 800.00	R1 345 038.00	R440 707.00	R451 177.00	R777 748.00	R211 191.00
Broll valuation 31 August 2018	R8 520 000.00	R13 120 000.00	R4 410 000.00	R5 010 000.00	R8 190 000.00	R2 170 000.00
Broll cap rate	9.00%	10.25%	9.99%	9.01%	9.50%	9.73%

	61	62	63	64
Property code	A87	A91	A93	A96
Registered owner	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd	Barloworld South Africa (Pty) Ltd
Registered owner – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld tenant/ trading division	Toyota Middelburg (Vacant land)	Avis Roodepoort	Avis Menlyn	Avis Rustenburg
Tenant – registered name	Barloworld Motor Retail South Africa a div. of Barloworld South Africa (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd	Rent-A-Car a division of Barloworld South Africa (Pty) Ltd
Tenant – Co. reg. number	1946/021661/07	1946/021661/07	1946/021661/07	1946/021661/07
Barloworld Limited/ BHBW (50% JV) – External direct lease	n/a	n/a	n/a	n/a
Barloworld South Africa/ BHBW (50% JV) – BWSA sub-lease	n/a	n/a	n/a	n/a
External parties – direct lease	n/a	n/a	n/a	n/a
Title deed	T9665/2011	T24530/2013	T89132/2015	T79546/2014
Internal lease (Yes/No)	Yes	No	No	No
Lease expiry	2024/03/31	n/a	n/a	n/a
Rental monthly 2019	R–	R15 729.00	R–	R26 856.91
Rental annual 2019	R–	R188 748.00	R–	R322 282.93
Broll market-related rental monthly 2019	R–	R25 725.00	R41 954.00	R13 248.00
Broll market-related annual rental 2019	R–	R308 700.00	R503 448.00	R158 974.00
Broll valuation 31 August 2018	R–	R3 430 000.00	R5 920 000.00	R1 720 000.00
Broll cap rate		9.00%	8.50%	9.24%

INDEPENDENT FAIRNESS OPINION ON THE B-BBEE TRANSACTION

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The Directors
Barloworld Limited
61 Katherine Street
Sandton
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7 December 2018

Dear Sirs

FAIRNESS OPINION TO BARLOWORLD LIMITED REGARDING A PROPOSED BLACK ECONOMIC EMPOWERMENT TRANSACTION

Introduction

In terms of the announcement published by Barloworld Limited (“Barloworld” or “the Company”) on the Stock Exchange News Service (“SENS”), operated by the JSE Limited (“JSE”) on Monday, 19 November 2018, holders of ordinary par value shares of R0.05 (five cents) each (“Par Value”) in the issued share capital of Barloworld (“Shares”) (“Barloworld Shareholders” or “Shareholders”) were advised that the Company intends to conclude a new transformative Broad-based Black Economic Empowerment (“B-BBEE”) transaction which encompasses:

- the specific issue of 6 578 121 Shares, amounting to 3% of the issued share capital of Barloworld post the issue, for cash at Par Value to the Barloworld Empowerment Foundation (“Foundation”) (“Foundation Shares”) in terms of paragraph 5.51 of the JSE Listings Requirements (“JSE Listings Requirements”) and the written agreement concluded between the Foundation and Barloworld dated 16 November 2018 in terms of which the Foundation subscribes for the Foundation Shares (“Foundation Subscription Agreement”) (“Specific Issue of Shares to the Foundation”);
- the sale by Barloworld of the immovable properties for a consideration of R2 721 681 030 (“Disposal Consideration”) (being a discount of 5% to the market value of the Properties of R2 754 617 400 (“Properties’ Market Value”) plus development expenditure of R110 310 000 (the “Sale”), details of which are set out in Annexure 1 to the circular to Shareholders, dated Tuesday, 18 December 2018 (“Circular”), which are the subject of the B-BBEE transaction (“Properties”) to Main Street 1646 Limited (which is a majority black owned company) (“PropCo”). Barloworld and Propco will conclude a 10-year lease agreement in respect of the Properties (the “Lease”);
- the specific repurchase of the Foundation Shares from the Foundation as a result of the event of a breach by the Foundation of its material obligations under the various BEE transaction agreements. In that circumstance, Barloworld will repurchase the Foundation Shares at the par value of R0.05 (“Specific Repurchase”); and
- financial assistance to related parties for the subscription of securities pursuant to Section 44 of the Companies Act, 2008 (Act 71 of 2008), as amended from time to time (“Companies Act”) and loans and other financial assistance to directors pursuant to Section 45 of the Companies Act including:
- the capital contribution of R174 million by Barloworld to the trustees for the time being of the Khula Sizwe Employee Trust (“Employee Trust”) to fund the subscription by the Employee Trust for its interest in Propco (“Employee Trust Contribution”);
- an interest-free loan in the aggregated amount of R207 million to be advanced by Barloworld to the trustees for the time being of the Khula Sizwe Management Trust (“Management Trust”) to fund the subscription by the Management Trust for its 38% interest in Propco. Such loan may increase to a maximum of R370 million if the Management Trust comes to hold a maximum 68% interest in Propco (“Management Trust Loan”); and
- a guarantee agreement between Barloworld, Barloworld South Africa Proprietary Limited (“Barloworld SA”), Barloworld Logistics Africa Proprietary Limited (“Barloworld Logistics”) (Barloworld SA and Barloworld Logistics are collectively the “Lessees”) and Propco dated 16 November 2018, in terms of which Barloworld acts as guarantor for the Lessees lease payment obligations to Propco (“Barloworld Lease Guarantee”).

The Specific Issue of Shares to the Foundation and the Sale, including the Lease (incorporating the Barloworld Lease Guarantee), as well as the Specific Repurchase and Financial Assistance are collectively referred to as the (“B-BBEE Transaction”).

Barloworld concluded a BEE transaction in 2008 (“2008 BEE Transaction”), which has since expired and the previous BEE shareholders have exited. Barloworld’s aim is therefore to conclude the B-BBEE Transaction that includes its staff, communities and the broader black public as participants.

It is our understanding that, once the B-BBEE Transaction is concluded it will result in:

- Broad based participation;
- Sustainability;
- Long-term empowerment points; and
- Significant Black ownership for Barloworld measured by excluding mandated investments made by or through any third party regulated by legislation on behalf of the actual owner of the funds (“Mandated Investments”) and Barloworld’s foreign operations.

It is our understanding that the B-BBEE Transaction will be facilitated by Barloworld to the Employee Trust and Management Trust and the sale of the Properties at a discounted price as set out in paragraph 2.5 of the Circular.

Full details of the B-BBEE Transaction are contained in the Circular which will include a copy of this letter.

Fairness opinion required in terms of the JSE Listings Requirements

The Sale constitutes a category 2 transaction in terms of the JSE Listings Requirements. Propco and the Management Trust have been classified by the JSE as related parties in terms of paragraph 10.1 (b)(i),(ii),(iv) and (vii) of the JSE Listings Requirements, and are also being treated as related parties in the interest of transparency given that they are an integral part of the B-BBEE Transaction and that DM Sewela, the Group Chief Executive Officer, and E Leeka and K Rankin, Principal Executive Officers of Barloworld, will collectively indirectly hold 7.2% of Propco (through their 18.95% interest in the Management Trust) and, along with the other management of Barloworld as well as employees of Barloworld, hold between 70% and 100% of Propco. Therefore, the Sale and the Lease are being treated as a related party transaction and related party agreement, respectively. The Financial Assistance is exempted in terms of paragraph 10.6(c)(v) and (vi) of the JSE Listings Requirements.

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) and Basis Points Capital Proprietary Limited (“BPS Capital”) (collectively the “Independent Expert” or “we”) have been appointed by the board of directors of Barloworld (“Board” or “Directors”) to provide a fairness opinion with regard to the B-BBEE Transaction (the “Fairness Opinion”).

Responsibility

Compliance with the JSE Listings Requirements is the responsibility of the Directors. Our responsibility is to report to the Directors and Shareholders on the fairness of the terms of the B-BBEE Transaction.

Explanation as to how the term “fair” applies in the context of the B-BBEE Transaction

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

In this case, the B-BBEE Transaction may be considered fair if the quantifiable benefits to Shareholders resulting from the B-BBEE Transaction are considered to be equal to, or greater than, the total cost of the B-BBEE Transaction.

Details and sources of information

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

- The terms and conditions of the B-BBEE Transaction, as set out in the Circular;
 - Transaction documents provided by Barloworld’s transaction advisers setting out, *inter alia*, transaction steps and the rationale of the B-BBEE Transaction;
 - Annual Integrated Report of Barloworld for the year ended 30 September 2017;
 - Audited preliminary results and results presentation of Barloworld for the year ended 30 September 2018;
 - Reviewed interim results of Barloworld for the six months ended 31 March 2018;
 - Forecast financial information of Barloworld on a consolidated basis for the three-year period ending 30 September 2021 per consensus analysts’ forecasts for Barloworld, as published on Thomson Reuters;
 - Assessments of value at risk should Barloworld not conclude the B-BBEE Transaction as performed by Directors of Barloworld for the Automotive, Equipment and Logistics South African divisions;

- Opinion prepared by Empowerdex Research and Advisory entitled “Barloworld B-BBEE Transaction Ownership Opinion”;
- Barloworld management calculations detailing the International Financial Reporting Standards 2 Share-based Payment (“IFRS 2”) costs of the B-BBEE Transaction;
- Independent valuations of the Properties as prepared by Broll Valuation and Advisory Services South Africa Proprietary Limited;
- Precedent transactions of a similar nature;
- Discussions with Directors and Barloworld management regarding the historical and forecast financial information of Barloworld;
- Discussions with Directors and Barloworld management regarding the rationale for the B-BBEE Transaction;
- Discussions with Directors and Barloworld management on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to Barloworld, comparable publicly traded companies and the markets in which Barloworld and its peers operate.
- The information above was secured from:
 - Directors and management of Barloworld and their advisers; and
 - Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Barloworld.

Procedures and consideration

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

- Reviewed the terms and conditions of the B-BBEE Transaction;
- Reviewed the audited and other financial information related to Barloworld, as detailed above;
- Reviewed the forecast information of Barloworld for the financial years ending 30 September 2019– 2021 as per consensus analysts’ forecasts. Considered the forecast cash flows and the basis of the assumptions therein including the prospects of the business of Barloworld. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management and assessed the achievability thereof by considering historical information as well as macro-economic and industry-specific data;
- Compiled consolidated forecast free cash flows for Barloworld pre-B-BBEE Transaction by using the historical and forecast financial information as detailed above. Applied the Independent Expert’s assumptions of cost of capital to the consolidated forecast cash flows to produce a consolidated discounted cash flow (“DCF”) valuation of Barloworld pre-B-BBEE Transaction;
- Performed a sensitivity analysis on key assumptions included in the DCF valuation, specifically related to cost of capital and growth in the business of Barloworld;
- Prepared an estimate of the financial benefit to Barloworld of concluding the B-BBEE Transaction. In determining this benefit, the following procedures were performed:
 - through various discussions with management, assessed the risks to Barloworld of not concluding the B-BBEE Transaction as well as the benefits of concluding the B-BBEE Transaction;
 - from these discussions, upon the termination of the 2008 BEE transaction, we understand that Barloworld maintained their ownership credentials through the use of Mandated Investments. These credentials rely on the use of an expert opinion to determine the level of Black People beneficiaries of the Mandated Investments. These Shareholders are free to sell their shares at any time, meaning that the level of Black People ownership that they attribute to Barloworld is not guaranteed as measured in terms of the BEE Codes of Good Practice published by the Department of Trade and Industry in terms of section 9 of the Broad Based Black Economic Empowerment Act, 53 of 2003, as amended and replaced from time to time (the “Codes”) Barloworld’s key customers have expressed their concern regarding the use of Mandated Investments;
 - identified the mitigating factors that Barloworld management could take to minimize the identified risks;
 - based on the above, assessed the quantification of the potential cash flow effects to Barloworld following conclusion of the B-BBEE Transaction as prepared by Directors and management;
- Reviewed the estimate of the Economic Cost to Barloworld of concluding the B-BBEE Transaction based on Barloworld management calculations of the IFRS 2 costs, that portion of the annual lease payment escalation which was considered to

exceed market related escalation, the discount to the Properties' Market Value and other transaction costs as detailed in the Circular and to the extent possible compared to market norms. The IFRS 2 costs arise as a result of the:

- financial assistance provided by Barloworld in the form of the Employee Trust Contribution and the Management Trust Loan. Financial assistance provided by Barloworld in the form of the Barloworld Lease Payment Guarantee does not give rise to any IFRS 2 costs; and
- Specific Issue of Shares to the Foundation;
- Reviewed the Codes;
- Assessed the long-term potential of Barloworld's business and prospects;
- Evaluated the relative risks associated with Barloworld and the industry in which it operates;
- Reviewed certain publicly available information relating to Barloworld, comparable publicly traded companies and the industry in which the Company operates that we deemed to be relevant, including Company announcements and media articles, including available analyst coverage;
- Where relevant, representations made by Barloworld management and/or Directors and/or their advisers were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Barloworld operates, and to analyse external factors that could influence the business of Barloworld;
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the general industrials sector; and
- Held discussions with Barloworld management regarding the past and current business operations, regulatory requirements, financial condition and future prospects of the Company and such other matters as we have deemed relevant to our inquiry.

Assumptions

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the B-BBEE Transaction will be legally enforceable as against the relevant parties thereto;
- That the B-BBEE Transaction will have the legal, accounting, taxation and BEE consequences described in the Circular and discussions with, and materials furnished to us by representatives and advisers of Barloworld; and
- That reliance can be placed on the financial information of Barloworld.

Appropriateness and reasonableness of underlying information and assumptions

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

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

Limiting conditions

This Fairness Opinion is provided in connection with and for the purposes of the B-BBEE Transaction. The Fairness Opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Barloworld Shareholders. Should a Barloworld Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

Individual Barloworld Shareholders' decisions regarding the B-BBEE Transaction may be influenced by such Barloworld Shareholder's particular circumstances and accordingly individual Shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the B-BBEE Transaction.

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

Where relevant, forward-looking information of Barloworld relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Barloworld will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

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

We have been neither a party to the negotiations entered into in relation to the B-BBEE Transaction nor have we been involved in the deliberations leading up to the decision on the part of the Board to enter into the B-BBEE Transaction.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the B-BBEE Transaction. All such evaluations, advice, judgements or comments remain the sole responsibility of the Board and their advisors. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of a Share. We do not express any view as to the price at which Shares may trade nor on the future value, financial performance or condition of Barloworld.

It is also not within our terms of reference to compare the merits of the B-BBEE Transaction to any alternative arrangements that were or may have been available to Barloworld. Such comparison and consideration remain the responsibility of the Board and their advisors.

Independence, competence and fees

We confirm that neither BDO Corporate Finance, BPS Capital nor any person related to us (as contemplated in the JSE Listings Requirements), have any existing or continuing relationship with Barloworld or with any party involved in the B-BBEE Transaction as contemplated in paragraph 5.12 of Schedule 5 to the JSE Listings Requirements and have not had such relationship within the immediately preceding two years.

Furthermore, we confirm that our professional fees are not contingent upon the success of the B-BBEE Transaction. Our fees are not payable in Shares.

Valuation approach

We performed a valuation of Barloworld Shares pre-B-BBEE Transaction and a valuation of Barloworld Shares post-B-BBEE Transaction to determine whether the B-BBEE Transaction is fair to Barloworld Shareholders.

Pre-B-BBEE Transaction

The valuation of Barloworld was performed by applying the DCF methodology. In addition, we considered the market approach (based on financial data for comparable publicly traded companies) as a secondary methodology to support the results of the DCF valuation. The valuation of Barloworld was performed on a consolidated basis, using consolidated cash flow forecasts, per consensus analysts' forecasts.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Barloworld. External value drivers include key macro-economic parameters such as, GDP growth (forecast to improve to 1.4% growth by 2019 from 0.8% in 2018), interest rates (the prime lending rate at 10.0% for the forecast period), headline inflation rates (4.8% in 2018 deteriorate to 5.3% in 2019), and prevailing market and industry conditions were considered in assessing the forecast cash flows and risk profile of Barloworld.

Key internal value drivers comprise:

- Compound annual growth rate ("CAGR") in revenue for the forecast period of 6.2%;
- Sustainable earnings before interest and tax ("EBIT") margins of 7.2%; and
- A base case weighted average cost of capital ("WACC") of 12.5%.

In addition, we performed a sensitivity analysis on key assumptions included in the DCF valuations, specifically related to cost of capital, growth in revenue and EBIT margins. The sensitivity analysis was performed by:

- increasing and decreasing the base case discount rate by a maximum of 1.0%;
- increasing and decreasing the CAGR by a maximum of 1.0%; and
- increasing and decreasing the EBIT margins by a maximum of 0.5%.

These sensitivity analyses did not indicate a sufficient effect to alter our opinion in respect of the B-BBEE Transaction.

Post-B-BBEE Transaction

We determined the value of the Barloworld Shares post-B-BBEE Transaction by adjusting the value of the pre-B-BBEE Transaction Barloworld Shares with the costs and quantifiable benefits of the B-BBEE Transaction.

We reviewed the transaction agreements and held discussions with management and their advisers as part of the procedures to determine the costs of implementing the B-BBEE Transaction being the IFRS 2 cost relating to the Specific Issue in the amount of R749 million, the 5% discount of R143 million on the Properties' Market Value plus development expenditure of R110 million, that portion of the annual lease payment escalation which was considered to exceed a market related escalation which amounted to a pre-tax cost of R80 million, the IFRS 2 cost comprising the financial assistance provided by Barloworld in the form of the Employee Trust Contribution and the Management Trust Loan in the amount of R373 million and Barloworld transaction costs of R37 million as detailed in the Circular.

In the event of a breach by the Foundation of its obligations under the various BEE transaction agreements, Barloworld will have a right to repurchase the Foundation Shares. The Specific Repurchase would result in a cash flow of R328 906.

Value drivers of the option pricing model applied by Barloworld management in the IFRS 2 valuation include:

- the spot price of Barloworld Shares of R114.96 on 19 November 2018;
- a risk-free rate of 7.025% based on the 3-month JIBAR zero curve as at 19 November 2018;
- the expected volatility of a Barloworld Share of between 18.3% and 25.4%;
- a dividend yield of 3.61%; and
- the expected life of the B-BBEE Transaction.

The key internal value driver is the extent of facilitation, i.e. equity contribution made by Barloworld on behalf of participants.

Key external value drivers are forecast interest rates of 10% and the expected volatility of Barloworld Shares.

In assessing the quantifiable benefits, we held discussions with Barloworld management to identify and understand the impact on Barloworld if the B-BBEE Transaction was not concluded. We also considered the cash injection from the B-BBEE Transaction and the dilutive impact of the B-BBEE Transaction.

Accordingly, the Independent Expert considered the financial impact that an improvement in the sustainability of Barloworld's B-BBEE ownership credentials could have on its ability to attract new business and retain its existing customers measured by excluding Mandated Investments. This review included the consideration of, *inter alia*, the terms and conditions of Barloworld's existing contracts, requests for tender proposals and other related documents.

Based on the procedures above, we assessed the fairness of the B-BBEE Transaction by comparing the pre-B-BBEE Transaction value per Barloworld Share to the post-B-BBEE Transaction value per Barloworld Share.

Opinion

Based upon and subject to the conditions set out herein, the Independent Expert is of the opinion that the terms and conditions of the B-BBEE Transaction are fair to Barloworld Shareholders.

Our opinion is necessarily based upon the information available to us up to Wednesday, 5 December 2018 including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the B-BBEE Transaction have been fulfilled or obtained.

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

Consent

We hereby consent to the inclusion of this Fairness Opinion, in whole or in part, and references thereto in the Circular, in the form and context in which it appears.

BDO CORPORATE FINANCE PROPRIETARY LIMITED

Nick Lazanakis
Director

BASIS POINTS CAPITAL PROPRIETARY LIMITED

Sisanda Tuku
Director"

UNADJUSTED FINANCIAL INFORMATION ON THE PROPERTIES

Introduction

The unadjusted financial information is the responsibility of the Directors and has been prepared according to the measurement and recognition principles of the relevant IFRS standards as disclosed below, Barloworld's accounting policies as disclosed below and the JSE Listing Requirements. The unadjusted financial information has been prepared to provide Barloworld Shareholders with limited information on elements of the past performance and financial position in respect of the subject matter of the B-BBEE Transaction.

At 30 September 2018, Propco, the company, did not exist. The Properties, being the subject of the B-BBEE Transaction, do not constitute a separate entity, subsidiary, business or segment within the Barloworld Group, but rather represent separate and distinct assets within the Group's South African operations. The carve-out historical financial information is, therefore, not necessarily indicative of results that would have occurred if Propco had been a separate stand-alone entity during the year presented or of future results of Propco.

The aggregated unadjusted financial information of the Properties has been prepared by adding, on a line by line basis, the following transactions and balances below:

- The carved out rental revenue and operating costs related to the Properties for the year ended 30 September 2018;
- The carved out carrying value and depreciation of the property, plant and equipment to be sold to Propco in terms of the B-BBEE Transaction as at 30 September 2018;
- The carved out interest bearing borrowings and related finance costs relating to the Properties as at 30 September 2018; and
- The carved out cash flows for the Properties for the year ended 30 September 2018.

Segmental information

Propco does not represent a separate segment in terms of IFRS 8 Operating Segments. As such, no segmental disclosures have been provided.

Comparative unadjusted historical information

No comparative unadjusted historical financial information has been presented.

Information not presented

No statement of changes in equity has been provided for the Properties as the unadjusted information presented is an aggregation of certain transactions and balances as noted above and does not represent a business with share capital or equity. Similarly, no earnings per share, headline earnings per share, net asset value per share or tangible net asset value per share information has been presented.

Rental revenue

The rental revenue per property for the Properties subject to the Property Sale Agreement has been carved out from the accounting records of Barloworld used to prepare the audited financial statements for Barloworld for the year ended 30 September 2018. These audited financial statements have been prepared according to the measurement and recognition principles of IFRS.

Property, plant and equipment

The property, plant and equipment carrying value of the Properties has been carved out from the accounting records of Barloworld for the financial year ended 30 September 2018. These Barloworld accounting records have been utilised to prepare the audited and published financial statements for Barloworld for the year ended 30 September 2018.

Interest-bearing borrowings

The interest-bearing borrowings relating to the Properties has been determined by identifying the specific debt associated with the Properties being sold in terms of the B-BBEE Transaction.

The interest-bearing borrowings of the Properties have been carved out from the accounting records of Barloworld for the financial year ended 30 September 2018. These Barloworld accounting records have been utilised to prepare the audited and published financial statements for Barloworld for the year ended 30 September 2018.

Cash Flow

The carved out cash flows of the Properties have been determined by identifying the specific cash flows associated with the Properties being the subject of this transaction. The rental income earned on the Properties received from inter-group companies is transacted through inter-company loan accounts. Where it was not practical to carve out these cash flows, a receivable has been recognised relating to the current years' rental charges only.

Accounting policies

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.

Property, plant and equipment (PPE)

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the estimated cost of dismantling and removing the assets.

Depreciation is charged so as to write off the depreciable amount of the assets, other than land, over their estimated useful lives to estimated residual values, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity.

Where significant components of PPE have different useful lives to the item itself, these parts are depreciated over their individual estimated useful lives.

The methods of depreciation, useful lives and residual values are reviewed annually.

The following methods and rates were used during the year to depreciate property, plant and equipment to estimated residual values:

Buildings	Straight line	20 to 50 years
-----------	---------------	----------------

(i) Assets in the course of construction

Assets in the course of construction are carried at cost less any impairment loss. Depreciation of these assets, on the same basis as presented above, commences when the assets are ready for their intended use.

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.

AGGREGATED INCOME STATEMENT

for the 12 months ended 30 September 2018

	Note	R'million
Revenue	1	303
Operating profit before items listed below (EBITDA)		288
Depreciation		(25)
Amortisation of intangible assets		–
Operating profit	2	263
Fair value adjustments on financial instruments		–
Income from Investments		–
Finance costs	3	(11)
Profit before non-operating and capital items		252
Non-operating and capital items		–
Profit before taxation		252
Taxation	4	(67)
Profit after taxation		185
Income from Associates and joint ventures		–
Net profit for the period from continuing operations		185
Discontinued operation		–
Profit from discontinued operation		–
Profit for the year		185
Attributable to:		
Owners of Barloworld Limited		185
Non-controlling interest in subsidiaries		–
		185

AGGREGATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2018

	Note	R'million
ASSETS		
Non-current assets		
Property, plant and equipment	5	2 140
Current assets		
Trade and other receivables		114
Total assets		2 254
EQUITY AND LIABILITIES		
Capital and reserves		
Retained income		2 026
Interest of shareholders of Barloworld Limited		2 026
Minority interest		-
Interest of all shareholders		2 026
Non-current liabilities		
Interest-bearing	6	148
Current liabilities		
Amounts due to bankers and short-term loans	7	80
Total equity and liabilities		2 254

AGGREGATED CASH FLOW

as at 30 September 2018

	Note	R'million
Operating cash flows:		
Receipts from customers		188
Payments to suppliers		(14)
Finance costs		(11)
Taxation paid		(67)
		96
Investing cash flows:		
Additions to PPE		(95)
Capital loan repayments		(46)
		(141)
Net cash outflows		(45)

NOTES TO THE UNADJUSTED FINANCIAL INFORMATION OF THE PROPERTIES

for the year ended 30 September 2018

	R'million
1 REVENUE	
Rentals received	303
Total	303
2 OPERATING PROFIT	
Operating profit is arrived at as follows:	
Revenue	303
Less: Operating costs	40
Total	263
3 FINANCE COSTS	
Long-term borrowings	11
Total	11
4 TAXATION	
South African normal taxation	
Current year	67
Total	67
Reconciliation of rate of taxation	%
South African normal taxation rate	28
Disallowable charges	3
Special allowances	(4)
Taxation as a percentage of profit before tax	27

INDEPENDENT REPORTING ACCOUNTANTS AND AUDITORS' REPORT ON THE CARVE-OUT HISTORICAL FINANCIAL INFORMATION

"The Directors
Barloworld Limited
61 Katherine Street
Sandown
Sandton
2196

Dear Sirs/Mesdames

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CARVE-OUT HISTORICAL FINANCIAL INFORMATION

Opinion

Barloworld Limited is issuing a circular to its shareholders to be dated *18 December 2018* (the Circular) regarding the proposed sale of the immoveable properties that are the subject of the B-BBEE transaction details of which are set out in Annexure 1 to this Circular (the Property Portfolio) to Main Street 1646 Limited (Registration number 2018/546307/06), 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.

At your request and solely for the purposes of the Circular, we have audited the carve-out statement of financial position of the Property Portfolio as at 30 September 2018, and the carve-out income statement for the year then ended, and the carve-out cash flows and the notes to the carve-out historical financial information, including a summary of significant accounting policies as presented in Annexure 3 to the Circular (the Carve-out Historical Financial Information).

In our opinion, the Carve-out Historical Financial Information is prepared, in all material respects, in accordance with the basis of accounting described in the notes to the Carve-out Historical Financial Information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Carve-out Historical Financial Information* section of our report. We are independent of the Property Portfolio in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter: Carve-out Historical Financial Information and Basis of Accounting

Without modifying our opinion, we draw attention to the fact that, as described in the notes to the Carve-out Historical Financial Information, the Property Portfolio has not operated as a separate entity. The Carve-out Historical Financial Information is, therefore, not necessarily indicative of results that would have occurred if the Property Portfolio had been a separate stand-alone entity during the year presented or of future results of the Property Portfolio.

We also draw attention to the notes to the Carve-out Historical Financial Information which describes the basis of accounting. The Carve-out Historical Financial Information is prepared by the directors of Barloworld Limited for the purpose of the Circular and may not be suitable for another purpose.

Our opinion is not modified in respect of these matters.

Purpose of the report

Our report is solely for the purpose of the Circular and is not to be used for any other purpose.

Directors' Responsibility for the Carve-out Historical Financial Information

The directors of Barloworld Limited are responsible for the preparation of the Carve-out Historical Financial Information in accordance with the basis of accounting described in the notes to the Carve-out Historical Financial Information, for determining that the basis of accounting is acceptable in the circumstances and for such internal control as the directors of Barloworld Limited determine is necessary to enable the preparation of the Carve-out Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Carve-out Historical Financial Information, the directors of Barloworld Limited are responsible for assessing the Property Portfolio's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Property Portfolio or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Carve-out Historical Financial Information

Our objectives are to obtain reasonable assurance about whether the Carve-out Historical Financial Information as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountant's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Carve-out Historical Financial Information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Carve-out Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Portfolio's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Barloworld Limited.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Property Portfolio's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the Carve-out Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Carve-out Historical Financial Information's report. However, future events or conditions may cause the Property Portfolio to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the properties within the Property Portfolio to express an opinion on the Carve-out Historical Financial Information. We are responsible for the direction, supervision and performance of the Property Portfolio audit. We remain solely responsible for our audit opinion.

We communicate with the directors of Barloworld Limited regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche

Registered Auditor

Per: Bongisipho Nyembe

Partner

7 December 2018

Buildings 1 and 2
Deloitte Place
The Woodlands
Woodlands Drive
Woodmead Sandton
2196"

PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial effects of the B-BBEE Transaction on the results of Barloworld as at and for the year ended 30 September 2018, which should be read together with the Independent Reporting Accountants and Auditors' report hereon in Annexure 6 to this Circular, are set out below.

The *pro forma* statement of comprehensive income and financial position are presented for illustrative purposes only and because of their *pro forma* nature, may not fairly present Barloworld's financial position, changes in equity, results of operations or cash flow, nor the effect of the B-BBEE Transaction 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 and the accounting policies adopted by Barloworld in its published consolidated financial statements for the year ended 30 September 2018. The *pro forma* financial effects are presented in accordance with the JSE Listings Requirements and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants.

PRO FORMA A: Assumes the Black Public Scheme is fully subscribed. In this *pro forma* the Propco shareholding reflects the following:

30%	Black Public Scheme
32%	Employee Trust
38%	Management Trust

PRO FORMA B: Assumes the Minimum Subscription Amount in the Black Public Scheme is achieved. In this *pro forma* the Propco shareholding reflects the following:

21%	Black Public Scheme
32%	Employee Trust
47%	Management Trust

PRO FORMA C: Assumes the Minimum Subscription Amount in the Black Public Scheme is not achieved. In this *pro forma* the Propco shareholding reflects the following:

32%	Employee Trust
68%	Management Trust

Basis of preparation

The *pro forma* income statement has been prepared on the basis that the B-BBEE Transaction was implemented on 1 October 2017. Where relevant, the Property value based on the As-is Market Value at 31 August 2018 (as detailed in Annexure 1 to this Circular) and exclude any future development expenditure.

The *pro forma* statement of financial position has been prepared on the basis that the B-BBEE Transaction was implemented 30 September 2018.

With the change in ownership of the Properties from Barloworld to Propco, new lease agreements are entered into on different terms to the existing lease arrangements, and the funding structures over the Properties also change. As such, the information presented in the unadjusted financial information of the Properties and the *pro forma* financial information will differ.

In accordance with the principles in IFRS 10: Consolidated Financial Statements (IFRS 10), the Foundation, The Management Trust, The Employee Trust, and Propco are controlled by Barloworld. As such, these entities are consolidated into the Barloworld Group for the purposes of the *pro forma* financial information.

In terms of IFRS 10, Barloworld would control the Foundation; the Employee Trust and the Management Trust; and/or Propco if the criteria listed below are met:

- (a) Barloworld has power over the entity
- (b) Barloworld has exposure, or rights, to variable returns from its involvement with the entity
- (c) Barloworld has the ability to use its power over the entity to affect the amount of the returns

To determine whether Barloworld controls the Foundation, the Management Trust, the Employee Trust and Propco, the Transaction facts have been analysed against the criteria of IFRS 10 as follows:

IFRS 10 Criteria	The Foundation	The Management Trust and the Employee Trust	Propco
<p><i>(a) Barloworld has power over the entity</i></p> <p>Barloworld will be considered to have power over these entities when it has existing rights that give it the current ability to direct the relevant activities.</p>	<p>The Foundation will be established to have a direct shareholding in Barloworld (mandated by Barloworld) and its sole objective is to meet Barloworld's transformation objectives and obtain BEE credentials for Barloworld. Barloworld approves all amendments to the Foundation Trust Deed.</p>	<p>Barloworld will establish the Employee Trust and the Management Trust for the benefit of its employees and managers. The Employee Trust and the Management Trust will be established to assist Barloworld in obtaining BEE credentials and are also used as a mechanism to attract and retain staff resources. Further, the Employee Trust and the Management Trust cannot amend their trust deeds without Barloworld's permission.</p>	<p>Barloworld has power over the relevant activities of Propco because it:</p> <ul style="list-style-type: none"> • determines to whom the Khula Sizwe Properties should be leased to; • determines what Propco should do with the cash obtained from the lease of the Properties; and sale of Properties; • determines who should own shares in Propco; • determines when and how the Barloworld shares held by Propco should be distributed to its shareholders; • controls the majority shareholders of Propco (see assessment on the Employee Trust and the Management Trust below); and • approves the amendments to the MOI of Propco
<p><i>(b) Barloworld has exposure, or rights, to variable returns from its involvement with these entities</i></p> <p>Barloworld would be considered to be exposed, or has rights, to variable returns from its involvement with these entities when Barloworld's returns from its involvement have the potential to vary as a result of these entity's performance. The returns could be only positive, only negative or both positive and negative.</p>	<p>The community projects of the Foundation allow Barloworld to maintain its BEE status. BEE credentials provide Barloworld with a licence to trade effectively within the South African market. Barloworld therefore has exposure and rights to variable returns through its involvement with the Foundation.</p>	<p>The returns of the Employee Trust and the Management Trust are distributions from the Propco and Barloworld shares (when the Barloworld shares are distributed to them). These distributions are for the benefit of the Employee Trust and the Management Trust's beneficiaries. Barloworld is exposed to these returns as the timing of these distributions enables them to receive services from the employees and also obtain BEE credentials.</p>	<p>The returns of Propco would arise from the lease payments from the leased properties, the disposal of properties, the BEE credentials obtained from its black shareholding and dividend distributions and proceeds from the sale of Barloworld shares held by Propco (when acquired). Barloworld is exposed to the returns of Propco because it obtains BEE credentials from the shareholding in Propco that it predetermined; and the sale of the Properties to Propco. In addition the excess cash obtained from the lease payments is to be used to purchase Barloworld shares that will increase black ownership in Barloworld and increase its BEE credentials.</p>

IFRS 10 Criteria	The Foundation	The Management Trust and the Employee Trust	Propco
<p><i>(c) Barloworld has the ability to use its power over these entities to affect the amount of the returns</i></p> <p>Barloworld would be considered to control these entities if it not only has the power over them, and exposure or rights to variable returns from its involvement with them, but also has the ability to use its power over these entities to affect the amount of the returns.</p>	<p>Barloworld has power over the relevant activities of the Foundation and Propco that affects the BEE credentials that it will obtain. Barloworld has power over the relevant activities of the Employee Trust and the Management Trust that affects the services it receives from its employees over the vesting period and the BEE credentials that it will obtain. Therefore, there is a linkage between its power over the Foundation, Propco, Employee Trust and Management Trust and the returns generated.</p>		

Based on the assessment above Barloworld controls the Foundation; the Employee Trust and the Management Trust; and Propco.

Unless otherwise indicated the *pro forma* income statement adjustments are of a continuous nature.

PRO FORMA A
CONSOLIDATED INCOME STATEMENT
for the 12 months ended 30 September 2018

R'million	Foundation			Propco			Group					
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7	
	Barloworld Reported	Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	<i>Pro forma</i>
	63 420	24b		248c							(271)	63 421
	6 978			248c	(819)c	(819)	(819)	(373)h,i,j	(109)	(26)	907	6 806
	(2 433)			(25)d							25	(2 433)
	(141)											(141)
	4 404			223	(819)	(819)	(819)	(373)	(109)	(26)	932	4 232
	(133)											(133)
	147			(217)b								147
	(1 182)							189g				(1 210)
	3 236			6	(819)	(819)	(819)	(184)	(109)	(26)	932	3 036
	(248)							582f			(582)	(248)
	2 988			6	(819)	(819)	(819)	398	(109)	(26)	350	2 788
	(950)			(9)e				(156)k				(1 115)
	2 038			(3)	(819)	(819)	(819)	242	(109)	(26)	350	1 673
	235											235
	2 273			(3)	(819)	(819)	(819)	242	(109)	(26)	350	1 908
	1 647											1 647
	3 920			(3)	(819)	(819)	(819)	242	(109)	(26)	350	3 555
	3 846			(2)	(819)	(819)	(819)	242	(109)	(26)	350	3 482
	74			(1)								73
	3 920			(3)	(819)	(819)	(819)	242	(109)	(26)	350	3 555

	Foundation		Management Trust and Employee Trust		Propco		Group			Pro forma	
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 3	Note 4	Note 4	Note 5		Note 6
R million	Barloworld Reported	Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration costs, finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments
Earnings per share from group											
– basic	1 823.8										
– diluted	1 812.9										
Earnings per share from continuing operations											
– basic	1 042.8										
– diluted	1 036.5										
Earnings per share from discontinued operations											
– basic	781.0										
– diluted	776.4										
HEPS per share from group											
– basic	1 192.1										
– diluted	1 185.0										
HEPS per share from continuing operations											
– basic	1 150.9										
– diluted	1 144.0										
HEPS per share from discontinued operations											
– basic	41.3										
– diluted	41.0										
Weighted average number of shares	210 875										
Fully converted weighted average number of shares	212 147										
Headline earnings											
Headline earnings per share											
Basic											
Profit for the year attributable to Barloworld Limited shareholders	3 846					(2)	(819)	242	(109)	(26)	350
Adjusted for the following:											
Gross remeasurements excluded from headline earnings	(1 361)										(1 361)
Profit on disposal of subsidiaries and investments (IFRS 10)	(98)										(98)
Profit on disposal of plant, property, equipment and intangible excluding rental assets (IAS 16 and IAS 38)	(10)										(10)
Impairment of goodwill (IFRS 3)	70										70
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	155										155
Impairment of investments in associates and joint ventures (IAS 36)	24										24
Realisation of translation reserve on disposal of foreign subsidiaries	(1 502)										(1 502)
Taxation effects of remeasurements	(18)										201
											183

	Foundation		Propoco			Group					
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7
		Acquire shares and distribute dividends	Acquisition of shares in Propoco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments
R million											
Taxation (benefit)/charge on impairment and disposal of property, plant and equipment (IAS 16) and intangibles (IAS 38)	(20)										201
Taxation charge on impairment of goodwill (IFRS 3)	2										2
Associate and non-controlling interest in remeasurements											47
Net remeasurements excluded from headline earnings											(1 131)
Headline earnings	2 514		(2)	(819)	242	(109)	242	(26)	551	2 351	
Profit from continuing operations	2 273		(3)	(819)	242	(109)	242	(26)	350	1 908	
Non-controlling shareholders interest in net profit from continuing operations	(74)		1							(73)	
Profit from continuing operations attributable to Barloworld Limited shareholders	2 199		(2)	(819)	242	(109)	242	(26)	350	1 835	
Adjusted for the following items in continuing operations:											
Gross remeasurements excluded from headline earnings from continuing operations	248										248
Profit on disposal of plant, property, equipment and intangible excluding rental assets (IAS 16 and IAS 38)	(1)										(1)
Impairment of goodwill (IFRS 3)	70										70
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	155										155
Impairment of investments in associates and joint ventures (IAS 36)	24										24
Taxation effects of remeasurements	(20)										201
Taxation (benefit)/charge on impairment and disposal of property, plant and equipment (IAS 16) and intangibles (IAS 38)	(22)										201
Taxation charge on impairment of goodwill (IFRS 3)	2										2
Associate and non-controlling interest in remeasurements											

	Foundation		Propco		Group					
	Note 1	Note 2	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7
R'million										
Net remeasurements excluded from headline earnings from continuing operations	228									201
Headline earnings from continuing operations	2 427				(2)	(819)	242	(109)	(26)	551
Profit from discontinued operations attributable to Baroworld Limited shareholders	1 647									
Adjusted for the following items in discontinued operations:										
Gross remeasurements excluded from headline earnings from discontinued operations	(1 609)									(1 609)
Profit on disposal of subsidiaries (IFRS 10)	(98)									(98)
Realisation of translation reserve on disposal of foreign subsidiaries (IAS 21)	(1 502)									(1 502)
Profit on disposal of property and other assets (IAS 16)	(9)									(9)
Taxation effects of remeasurements	2									2
Taxation charge of discontinued operations (IFRS 5)	2									2
Associate and non-controlling interest in remeasurements	47									47
Net remeasurements excluded from headline earnings from discontinued operations	(1 560)									(1 560)
Headline earnings from discontinued operations	87									87

PRO FORMA A
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2018

	Group							Pro forma					
	Foundation	Management Trust and Employee Trust	Propoco		Group								
R'million	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	
		Acquire shares and distribute dividends	Acquisition of shares in Propoco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Barloworld funding to trusts for acquisition of shares in Propoco	Sale and lease, finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	
Barloworld Reported													
	19 231	810	381			2 722		373	(2 140)			(2 146)	19 231
ASSETS													
Non-current assets	12 657					2 722a			(2 140)f			(582)	12 657
Property, plant and equipment	1 873												1 873
Goodwill	1 528												1 528
Intangible assets	1 343							197c				(197)	1 343
Investment in associates and joint ventures		810a	381a									(1 191)	
Investments in group companies	211												211
Finance lease receivables	909							176b				(176)	909
Long-term financial assets	710												710
Deferred taxation assets													
Current assets	30 028			381	163	(544)					(26)		30 002
Vehicle rental fleet	3 058												3 058
Inventories	9 592												9 592
Trade and other receivables	8 883												8 883
Taxation	105												105
Cash and cash equivalents	7 893			381a(i,ii,iii)	163a(iv)	(544)b					(26)		7 867
Assets classified as held for sale	497												497
Total assets	49 259	810	381	381	163	2 178		373	(2 140)		(26)	(2 146)	49 233

	Foundation		Propoco			Group									
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 4	Note 5	Note 6	Note 7					
		Acquire shares and distribute dividends	Acquisition of shares in Propoco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Barloworld funding to trusts for acquisition of shares in Propoco	Sale and lease, finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	<i>Pro forma</i>		
R'million	Barloworld Reported	810a	205b	163a	163a	582f	810a (810)a	582	582	(544)	(1 826)	229	441	4 194	17 572
	22 233	810	205	381	163	582	582	582	582	(2 141)	(26)	171	22 207	688	
EQUITY AND LIABILITIES															
Capital and reserves															
Share capital and premium	441			381a(i,ii,iii)	163a					(544)			441		
Other reserves	4 194	810a	205b							(1 826)	(26)	229	4 194		
Retained income	17 598								582f				17 572		
Interest of shareholders of Barloworld Limited	22 233	810	205	381	163								22 207	688	
Minority interest	517														
Interest of all shareholders	22 750	810	205	381	163								22 895	10 947	
Non-current liabilities	8 917		176			2 178		582	(148)	(26)	(26)	(176)	22 895	10 947	
Interest-bearing	5 995					2 178b		(148)g					8 025		
Deferred taxation liabilities	632												632		
Provisions	47												47		
Other non-current liabilities	2 243		176b									(176)	2 243		
Current liabilities	17 592							373	(2 574)				15 391		
Trade and other payables	11 122												11 122		
Provisions	1 100												1 100		
Taxation	70												70		
Amounts due to bankers and short-term loans	5 174							373 a	(2 574)g				2 973		
Liabilities directly associated with assets classified as held for sale	126												126		
Total equity and liabilities	49 259	810	381	381	163	2 178		373	(2 140)		(26)	(2 146)	49 233		
Net asset value per share (cents)	10 452.9												10 127.6		
Tangible net asset value per share (cents)	8 854.1												8 576.7		
Total number of ordinary shares in issue (000)	212 693	6 578											219 271		

PRO FORMA B
CONSOLIDATED INCOME STATEMENT
for the 12 months ended 30 September 2018

	Group							Pro forma				
	Foundation		Management Trust and Employee Trust		Propoco							
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7	
	Barloworld Reported	Acquire shares and distribute dividends	Acquisition of shares in Propoco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	
R'million												
Continuing operations												
Revenue	63 420	24b				248c					(271)	63 421
Operating profit before items listed below (EBITDA)	6 978					248c	(819)c	(373)h,i,j	(113)	(26)	907	6 802
Depreciation	(2 433)					(25)d					25	(2 433)
Amortisation of intangible assets	(141)											(141)
Operating profit	4 404					223	(819)	(373)	(113)	(26)	932	4 228
Fair value adjustments on financial instruments	(133)											(133)
Income from investments	147											147
Finance costs	(1 182)					(217)b		185g				(1 214)
Profit before non-operating and capital items	3 236					6	(819)	(188)	(113)	(26)	932	3 028
Non-operating and capital items	(248)							582f			(582)	(248)
Profit before taxation	2 988					6	(819)	394	(113)	(26)	350	2 780
Taxation	(950)					(9)e		(155)l				(1 114)
Profit after taxation	2 038					(3)	(819)	239	(113)	(26)	350	1 666
Income from associates and joint ventures	235											235
Net profit for the period from continuing operations	2 273					(3)	(819)	239	(113)	(26)	350	1 901
Discontinued operation												
Profit from discontinued operation	1 647											1 647
Profit for the year	3 920					(3)	(819)	239	(113)	(26)	350	3 548
Attributable to:												
Owners of Barloworld Limited	3 846					(2)	(819)	239	(113)	(26)	350	3 475
Non-controlling interest in subsidiaries	74					(1)						73
	3 920					(3)	(819)	239	(113)	(26)	350	3 548

	Foundation		Employee Trust		Management Trust and Trust		Group				Pro forma	
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 3	Note 3	Note 4	Note 4	Note 5		Note 6
	Barloworld Reported	Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	
R million												
Earnings per share from group	1 823.8											1 647.9
– basic	1 812.9											1 638.0
– diluted												
Earnings per share from continuing operations	1 042.8											866.9
– basic	1 036.5											861.7
– diluted												
Earnings per share from discontinued operations	781.0											781.0
– basic	776.4											776.4
– diluted												
HEPS per share from group	1 192.1											1 111.6
– basic	1 185.0											1 104.9
– diluted												
HEPS per share from continuing operations	1 150.9											1 070.3
– basic	1 144.0											1 063.9
– diluted												
HEPS per share from discontinued operations	41.3											41.3
– basic	41.0											41.0
– diluted												
Weighted average number of shares	210 875											210 875
Fully converted weighted average number of shares	212 147											212 147
Headline earnings												
Headline earnings per share												
Basic	3 846											3 475
Profit for the year attributable to Barloworld Limited shareholders												350
Adjusted for the following:												(26)
Gross remeasurements excluded from headline earnings	(1 361)											(1 361)
Profit on disposal of subsidiaries and investments (IFRS 10)	(98)											(98)
Profit on disposal of plant, property, equipment and intangible excluding rental assets (IAS 16 and IAS 38)	(10)											(10)
Impairment of goodwill (IFRS 3)	70											70
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	155											155
Impairment of investments in associates and joint ventures (IAS 36)	24											24
Realisation of translation reserve on disposal of foreign subsidiaries (IAS 21)	(1 502)											(1 502)

R million	Foundation		Employee Trust		Management Trust and Trust		Group						
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	Note 4	Note 4	Note 5	Note 6	Note 7
Barloworld Reported		Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments		
	(18)											201	183
Taxation effects of remeasurements													
Taxation (benefit)/charge on impairment and disposal of property, plant and equipment (IAS 16) and intangibles (IAS 38)	(20)											201	181
Taxation charge on impairment of goodwill (IFRS 3)	2												2
Associate and non-controlling interest in remeasurements	47												47
Net remeasurements excluded from headline earnings	(1 332)											201	(1 131)
Headline earnings	2 514					(2)	(819)	239	(113)	(26)	551	2 344	
Profit from continuing operations	2 273					(3)	(819)	239	(113)	(26)	350	1 901	
Non-controlling shareholders' interest in net profit from continuing operations	(74)					1						(73)	
Profit from continuing operations attributable to Barloworld Limited shareholders	2 199					(2)	(819)	239	(113)	(26)	350	1 828	
Adjusted for the following items in continuing operations:													
Gross remeasurements excluded from headline earnings from continuing operations	248												248
Profit on disposal of plant, property, equipment and intangible excluding rental assets (IAS 16 and IAS 38)	(1)												(1)
Impairment of goodwill (IFRS 3)	70												70
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	155												155
Impairment of investments in associates and joint ventures (IAS 36)	24												24

	Management Trust and Employee Trust							Group				
	Foundation		Propoco			Group						
R million	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7	
	Barloworld Reported	Acquire shares and distribute dividends	Acquisition of shares in Propoco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	
Taxation effects of remeasurements	(20)										201	181
Taxation (benefit)/charge on impairment and disposal of property, plant and equipment (IAS 16) and intangibles (IAS 38)	(22)										201	179
Taxation charge on impairment of goodwill (IFRS 3)	2											2
Associate and non-controlling interest in remeasurements												
Net remeasurements excluded from headline earnings from continuing operations	(1 332)										201	(1 131)
Headline earnings from continuing operations	2 427					(2)	(819)	239	(113)	(26)	551	2 257
Profit from discontinued operations attributable to Barloworld Limited shareholders	1 647											1 647
Adjusted for the following items in discontinued operations:												
Gross remeasurements excluded from headline earnings from discontinued operations	(1 609)											(1 609)
Profit on disposal of subsidiaries (IFRS 10)	(98)											(98)
Realisation of translation reserve on disposal of foreign subsidiaries (IAS 21)	(1 502)											(1 502)
Profit on disposal of property and other assets (IAS 16)	(9)											(9)
Taxation effects of remeasurements	2											2
Taxation charge of discontinued operations (IFRS 5)	2											2
Associate and non-controlling interest in remeasurements	47											47
Net remeasurements excluded from headline earnings from discontinued operations	(1 560)											(1 560)
Headline earnings from discontinued operations	87											87

**PRO FORMA B
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
as at 30 September 2018

	Foundation		Management Trust and Employee Trust		Propco		Group				Pro forma	
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 3	Note 4	Note 5		Note 6
R'million												
ASSETS												
Non-current assets	19 231	810	430			2 722		422	(2 140)		(2 244)	19 231
Property, plant and equipment	12 657					2 722a			(2 140)f		(582)	12 657
Goodwill	1 873											1 873
Intangible assets	1 528											1 528
Investment in associates and joint ventures	1 343						203f				(203)	1 343
Investments in group companies		810a	430d								(1 240)	
Finance lease receivables	211											211
Long-term financial assets	909						219e				(219)	909
Deferred taxation assets	710											710
Current assets	30 028			430		(544)	114	114		(26)		30 002
Vehicle rental fleet	3 058											3 058
Inventories	9 592											9 592
Trade and other receivables	8 883											8 883
Taxation	105											105
Cash and cash equivalents	7 893											7 867
Assets classified as held for sale	497											497
Total assets	49 259	810	430	430		2 178	114	422	(2 140)	(26)	(2 244)	49 233

	Foundation			Propco			Group					
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7
	Barloworld Reported	Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Acquisition of shares by Black Public	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Barloworld funding to trusts for acquisition of shares in Propco	Sale and lease, finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments
R'million												<i>Pro forma</i>
EQUITY AND LIABILITIES												
Capital and reserves												
	441			430d	114d(viii)						(544)	441
	4 194	810a	211e				810a				(1 831)	4 194
	17 598						(810)a		582 f		(26)	17 572
Interest of shareholders of Barloworld Limited												
	22 233	810	211	430	114				582		(26)	22 207
	517											639
Interest of all shareholders												
	22 750	810	211	430	114				582		(26)	22 846
Non-current liabilities												
	8 917		219			2 178			(148)		(219)	10 947
	5 995					2 178b			(148)g			8 025
	632											632
	47											47
	2 243		219e								(219)	2 243
Current liabilities												
	17 592							422	(2 574)			15 440
Trade and other payables												
	11 122											11 122
	1 100											1 100
	70											70
Amounts due to bankers and short-term loans												
	5 174							422d	(2 574)g			3 022
Liabilities directly associated with assets classified as held for sale												
	126											126
Total equity and liabilities												
	49 259	810	430	430	114	2 178		422	(2 140)		(26)	49 233
Net asset value per share (cents)												
	10 452,9											10 127,6
Tangible net asset value per share (cents)												
	8 854,1											8 576,7
Total number of ordinary shares in issue (000)												
	212 693	6 578										219 271

PRO FORMA C
CONSOLIDATED INCOME STATEMENT
for the 12 months ended 30 September 2018

	Foundation			Propco			Group			
	Note 1	Note 2	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7
		Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Sale and lease, administration finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments
Barloworld Reported										
R million										<i>Pro forma</i>
Continuing operations										
Revenue	63 420	24b	248c							(271)
Operating profit before items listed below (EBITDA)	6 978		248c			(819)c		(125)	(26)	907
Depreciation	(2 433)		(25)d							25
Amortisation of intangible assets	(141)									(141)
Operating profit	4 404		223			(819)		(125)	(26)	932
Fair value adjustments on financial instruments	(133)									(133)
Income from investments	147									147
Finance costs	(1 182)		(217)b				175g			(1 224)
Profit before non-operating and capital items	3 236		6			(819)	(198)	(125)	(26)	932
Non-operating and capital items	(248)						582f			(582)
Profit before taxation	2 988		6			(819)	384	(125)	(26)	350
Taxation	(950)		(9)e				(153)m			(1 112)
Profit after taxation	2 038		(3)			(819)	231	(125)	(26)	350
Income from associates and joint ventures	235									235
Net profit for the period from continuing operations	2 273		(3)			(819)	231	(125)	(26)	350
Discontinued operation										
Profit from discontinued operation	1 647									1 647
Profit for the year	3 920		(3)			(819)	231	(125)	(26)	350
Attributable to:										
Owners of Barloworld Limited	3 846		(3)			(819)	231	(125)	(26)	350
Non-controlling interest in subsidiaries	74									74
	3 920		(3)			(819)	231	(125)	(26)	350

R'million	Foundation		Employee Trust		Management Trust and Employee Trust		Group				Pro forma	
	Note 1	Note 2	Note 3	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6		Note 7
	Barloworld Reported	Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Sale and lease, finance costs and tax	Free issue of shares to the Foundation		Sale and lease, administration costs, finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	
Earnings per share from group	1 823.8											1 637.9
– basic	1 812.9											1 628.1
– diluted												
Earnings per share from continuing operations	1 042.8											856.9
– basic	1 036.5											851.8
– diluted												
Earnings per share from discontinued operations	781.0											781.0
– basic	776.4											776.4
– diluted												
HEPS per share from group	1 192.1											1 101.6
– basic	1 185.0											1 095.0
– diluted												
HEPS per share from continuing operations	1 150.9											1 060.3
– basic	1 144.0											1 054.0
– diluted												
HEPS per share from discontinued operations	41.3											41.3
– basic	41.0											41.0
– diluted												
Weighted average number of shares	210 875											210 875
Fully converted weighted average number of shares	212 147											212 147
Headline earnings												
Headline earnings per share												
Basic	3 846						(3)	(819)	(125)	(26)	350	3 454
Profit for the year attributable to Barloworld Limited shareholders												
Adjusted for the following:												
Gross remeasurements excluded from headline earnings	(1 361)											(1 361)
Profit on disposal of subsidiaries and investments (IFRS 10)	(98)											(98)
Profit on disposal of plant, property, equipment and intangible excluding rental assets (IAS 16 and IAS 38)	(10)											(10)
Impairment of goodwill (IFRS 3)	70											
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	155											155
Impairment of investments in associates and joint ventures (IAS 36)	24											24
Realisation of translation reserve on disposal of foreign subsidiaries (IAS 21)	(1 502)											(1 502)

	Foundation			Propco			Group				
	Note 1	Note 2	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7	
		Acquire shares and distribute dividends	Acquisition of shares in Propco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration costs, finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments	<i>Pro forma</i>
R'million											
Taxation effects of remeasurements	(18)									201	183
Taxation (benefit)/charge on impairment and disposal of property, plant and equipment (IAS 16) and intangibles (IAS 38)	(20)									201	181
Taxation charge on impairment of goodwill (IFRS 3)	2										2
Associate and non-controlling interest in remeasurements	47										47
Net remeasurements excluded from headline earnings	(1 332)									201	(1 131)
Headline earnings	2 514				(3)	(819)	231	(125)	(26)	551	2 323
Profit from continuing operations	2 273				(3)	(819)	231	(125)	(26)	350	1 881
Non-controlling shareholders interest in net profit from continuing operations	(74)										(74)
Profit from continuing operations attributable to Barloworld Limited shareholders	2 199				(3)	(819)	231	(125)	(26)	350	1 807
Adjusted for the following items in continuing operations:											
Gross remeasurements excluded from headline earnings from continuing operations	248										248
Profit on disposal of plant, property equipment and intangible excluding rental assets (IAS 16 and IAS 38)	(1)										(1)
Impairment of goodwill (IFRS 3)	70										70
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	155										155
Impairment of investments in associates and joint ventures (IAS 36)	24										24

	Foundation			Propoco			Group			
	Note 1	Note 2	Note 3	Note 3	Note 4	Note 2	Note 4	Note 5	Note 6	Note 7
		Acquire shares and distribute dividends	Acquisition of shares in Propoco and related funding	Acquisition of shares by the Employee Trust and the Management Trust	Sale and lease, finance costs and tax	Free issue of shares to the Foundation	Sale and lease, administration costs, finance costs and tax	IFRS 2: Share-based payment expense	Transaction costs	Group consolidation adjustments
R'million										<i>Pro forma</i>
Taxation effects of remeasurements										
Taxation benefit on impairment and disposal of property, plant and equipment (IAS 16) and intangibles (IAS 38)	(20)									201
Taxation charge on impairment of goodwill (IFRS 3)	(22)									201
	2									2
Associate and non-controlling interest in remeasurements										
Net remeasurements excluded from headline earnings from continuing operations	(1 332)				(3)	(819)	231	(125)	(26)	201
Headline earnings from continuing operations	2 427									551
Profit from discontinued operations attributable to Barloworld Limited shareholders	1 647									1 647
Adjusted for the following items in discontinued operations:										
Gross remeasurements excluded from headline earnings from discontinued operations	(1 609)									(1 609)
Profit on disposal of subsidiaries (IFRS 10)	(98)									(98)
Realisation of translation reserve on disposal of foreign subsidiaries (IAS 21)	(1 502)									(1 502)
Profit on disposal of property and other assets (IAS 16)	(9)									(9)
Taxation effects of remeasurements	2									2
Taxation charge of discontinued operations (IFRS 5)	2									2
Associate and non-controlling interest in remeasurements	47									47
Net remeasurements excluded from headline earnings from discontinued operations	(1 560)									(1 560)
Headline earnings from discontinued operations	87									87

	Foundation			Propco			Group				
	Note 1	Note 2	Note 3	Note 3	Note 4	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7
R: million											
Barloworld Reported											
Capital and reserves											
Share capital and premium	441			544g						(544)	441
Treasury shares											
Other reserves	4 194	810a	224h			810a				(1 844)	4 194
Retained income	17 598					(810)a		582f		(26)	17 572
Interest of shareholders of Barloworld Limited	22 233	810	224	544		582		582		(26)	22 207
Minority interest	517										525
Interest of all shareholders	22 750	810	224	544		582		582		(26)	22 732
Non-current liabilities	8 917		320		2 178			(148)			10 947
Interest-bearing	5 995				2 178b			(148)h			8 025
Deferred taxation liabilities	632										632
Provisions	47										47
Other non-current liabilities	2 243		320h							(320)	2 243
Current liabilities	17 592						536	(2 574)			15 554
Trade and other payables	11 122										11 122
Provisions	1 100										1 100
Taxation	70										70
Amounts due to bankers and short-term loans	5 174						536g	(2 574)g			3 136
Liabilities directly associated with assets classified as held for sale	126										126
Total equity and liabilities	49 259	810	544	544	2 178		536	(2 140)		(26)	49 233
Net asset value per share (cents)	10 452.9										10 127.7
Tangible net asset value per share (cents)	8 854.1										8 576.8
Total number of ordinary shares in issue (000)	212 693	6 578									219 271

Notes to *pro forma* condensed consolidated income statement and statement of financial information for the year ended 30 September 2018.

Unless otherwise indicated the *pro forma* adjustments are of a continuous nature.

PRO FORMA A – 30% Black Public Scheme

1. The Barloworld “Reported” column is based on the audited consolidated balance sheet and income statement of the Group for the year ended 30 September 2018.

2. The Foundation

The Foundation will be issued with 6 578 121 par value Barloworld Shares of R0.05 each, equivalent to a 3% ownership interest in Barloworld. Barloworld will make the contribution to the Foundation to enable it to acquire the Shares at par value, totalling R328k, plus startup capital of R100. Note that this is not recognised in the *pro forma* financial statements as the *pro forma* statements are rounded to the nearest R'million. This is a once off contribution.

(a) The 30 September 2018 fair value of this investment in Barloworld has been based on 6 578 121 shares at the Barloworld share price as at 30 September 2018 of R123.17 (R810 million). The revaluation of this equity investment will be recognised in other comprehensive income and other reserves. This revaluation will eliminate on consolidation.

(b) The Foundation's primary source of revenue will be the dividends received from the Shares it holds in Barloworld. No investment income has been recognised as it is assumed that dividend revenue will be distributed to the beneficiaries as received.

The dividends received of R24 million have been calculated based on Barloworld declaring total dividends per share of 462 cents net of dividends tax (dividends tax has been accounted for in the Group). On consolidation, the dividends will eliminate (with the exception of the withholding tax paid) and the distributions from the Foundation to the beneficiaries of R24 million will be recognised as operating expenses in the Group.

(c) The issue of shares to the Foundation results in an IFRS 2 charge of R819 million in Barloworld Limited (the company), being the difference between the par value and the fair value of the Shares on grant date. This charge will eliminate on consolidation.

3. Acquisition of shares in Propco and related funding

The Employee Trust and the Management Trust will obtain funding from Barloworld which, together with 5% own funding relating to Senior Managers, will be used to invest in 70% of the Propco Shares. The remaining 30% interest in Propco will be held by the Black Public Scheme.

(a) The total once-off equity contribution from the Employee Trust and the Management Trust for their respective 32% and 38% equity interest in Propco is R373 million, representing 20% of Propco's funding for the Properties purchase. This is represented as follows:

	R'million	Notes
Employee Trust – Employee Trust Contribution	174	i
Management Trust – Management Trust Loan	199	ii
Total Barloworld funding to the Employee Trust and the Management Trust	373	
Black Public Scheme	163	iv
Management Trust – own equity	8	iii
Equity contribution of the Employee Trust, Management Trust and the Black Public Scheme in Propco	544	20% equity contribution to fund the Propco purchase of the Properties for R2.7 billion

(i) The Employee Trust is required to make a once off equity contribution amounting to R174 million for its 32% ownership of Propco. Barloworld will make the Employee Trust Contribution to the Employee Trust equal to this equity value in order to enable the Employee Trust to subscribe for Propco Shares.

(ii) The Management Trust is required to make a once off equity contribution amounting to R207 million for its 38% ownership of Propco. Barloworld will provide funding to the Management Trust of R199 million as follows:

- Senior Managers (Global Grades 15 and above): Barloworld will fund R147 million the equivalent of 95% of the Senior Managers' contribution via an interest-free loan.
- Junior Managers (Global Grades 11 – 14): Barloworld will fund 100% of the equity requirement of R52 million (no own contribution required) by way of an interest-free loan.

(iii) Senior Managers will be required to make an own equity contribution equal to R8 million. The investment from the Employee Trust and the Management Trust, including the Management Trust Loan and the Senior Managers' own equity contribution totals an investment in Propco of R381 million.

(iv) The Black Public Scheme is required to make a once off equity contribution amounting to R163 million for its 30% ownership of Propco. No funding will be provided to the Black Public Scheme by Barloworld.

- (b) The above Management Trust Loan and Employee Equity Contribution are required to be recognised at fair value, with the difference between the fair value and the cost of the principle loan value/cash contributions recognised in equity in the Employee Trust and the Management Trust. The fair value adjustment in equity has been determined as follows:

	R'million	R'million
Employee Trust – Employee Trust Contribution		174**
Management Trust – Management Trust Loan at fair value recognised as a non-current liability	176	
Management Trust – Management Trust Loan at cost	199	
Difference between fair value and cash loans/contributions recognised in equity		23**
Cash contribution of Senior Managers		8
Total fair value of loans and contributions recognised in equity		205

On consolidation the contributions from Barloworld at fair value are eliminated and the Senior Managers own equity contribution of R8 million together with the Black Public Scheme of R163 million are recognised as a non-controlling interest in the consolidated Group.

- (c) **The difference between the cost and the fair value of the Management Trust Loan (R23 million), together with the Employee Trust Contribution (R174 million) is recognised as an investment in subsidiary of R197 million in Barloworld.

4. Sale and Lease, administration costs, finance costs and tax

The following steps form the basis for the accounting for the Sale and Lease within the Group:

Propco

- (a) Propco will acquire the Properties from Barloworld Subsidiaries at fair value, as determined by the Independent Property Valuer, less 1.2% discount, for R2 722 million (being the purchase price).
- (b) Propco's purchase of the Properties will be funded 20% equity and 80% external debt. The equity 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 R544 million is detailed in Note 3. External debt of R2.2 billion has been recognised in the statement of financial position and the finance charge in the income statement of R217 million has been recognised based on an assumed interest rate of 9.96% over 10 years. It is assumed the external debt 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 a draft term sheet which is still subject to finalisation at the Last Practicable Date.
- (c) Propco will lease the Properties to Barloworld subsidiaries for R248 million (rental revenue) per year for the first year as determined by the Independent Property Valuer, after which the rental revenue will escalate by 8% per annum over the initial lease period. The rental income from Barloworld Subsidiaries will eliminate on consolidation. 50% of the rental income from BHBW SA (Pty) Ltd (in which Barloworld is a 50% joint venture partner) will not eliminate on consolidation.
- (d) Depreciation of R25 million will be recognised in line with the Group accounting policies and no increased depreciation charge is assumed on consolidation of Propco.
- (e) Propco will incur taxes of R9 million on the taxable income generated.

No dividend distributions from Propco have been assumed in year 1 of the B-BBEE Transaction.

Barloworld

- (f) Barloworld will sell the Properties to Propco for Disposal Consideration of R2 722 million which will generate a profit on disposal totalling R582 million. The profit on Sale of the Properties has been calculated as the proceeds on sale of the Properties of R2 722 million less the carrying value of the Properties at 30 September 2018 of R2 140 million. The Properties have been de-recognised from Barloworld's statement of financial position based on the carrying value of the Properties at 30 September 2018. This step eliminates on consolidation.
- (g) The proceeds from the Sale by Barloworld of R2 722 million net of the amounts used to settle long-term debt on the Properties sold of R148 million and the amounts used to fund the Employee Trust and the Management Trust will be used to reduce the existing net debt. A reduction of finance costs has been recognised at an assumed rate of 8.6%.
- (h) An annual straight-line rental expense of R359 million will be recognised over the initial lease term, being 10 years. This is based on the 8% per annum escalation clause in the Property Lease Agreements between Propco and Barloworld. This step eliminates on consolidation.
- (i) The Independent Property Valuer has estimated that Propco would incur administration costs equivalent to 3% of the annual rental income, being R7 million in year one of the B-BBEE Transaction. These will be paid to Propco from Barloworld in addition to the lease charges and are assumed to be paid to external parties.
- (j) Breakage costs to early settle borrowings over certain Properties will be incurred at an estimated cost of R7 million.

(k) The following are included in the R156 million taxation expense under Note 4:

	R'million
Taxes on the Sale of the Properties (once off)	201 i
Deduction of Employee Trust Contribution (over two years)	(24) ii
Withholding tax on dividends paid to the Foundation	6
Other taxation adjustments resulting from the B-BBEE Transaction	(27)
	156

(i) Details of taxes on the Sale of the Properties:

Reconciliation of the taxes payable on the Sale of the Properties:

	R'million
Taxable recoupments	66
Gross CGT liability	135
Total taxes on the sale of the Properties	201

(ii) Deduction of Employee Trust Contribution

The Employee Trust Contribution is tax deductible over the vesting period, being two years.

Consolidation

The rental revenue earned by Propco and the rental expense and lease liability recognised in Barloworld will be eliminated on consolidation.

The Sale of the Properties (exclusive of the taxes payable) and the lease prepayment will be eliminated on consolidation.

5. IFRS 2: Share-based payment expense

An equity-settled share-based payment expense (IFRS 2 charge) arises as a result of the Employee Trust Contribution and the Management Trust Loan. This will be settled by Propco through the issuance of shares to the Employee Trust and the Management Trust, however the IFRS 2 charge is recognised by the employer companies in the Barloworld Group.

It is assumed that all participants will satisfy the service conditions associated with the Management Trust and the Employee Trust.

The total IFRS 2 charge for the Employee Trust and the Management Trust is R174 million and R108 million, respectively. These charges will be amortised over 2 years for Employees and 5 years for Management in accordance with the vesting period as detailed in paragraph 7 of the Circular. The impact on Propco is an adjustment in equity only. These transactions continue over the vesting period.

	R'million
Annual IFRS 2 charge – Employees	87
Annual IFRS 2 charge – Management	22
Annual IFRS 2 charge – Total	109

6. Transaction costs

Transaction costs, as detailed in the Circular, are estimated at R37 million and are once off.

	R'million
Transaction costs incurred to date and included in Barloworld Reported	11
Transaction costs to be incurred through to implementation of the B-BBEE Transaction	26
Total transaction costs	37

7. Group consolidation adjustments

Represents adjustments to consolidate the Foundation, the Management Trust and the Employee Trust and Propco into the Barloworld Group in accordance with IFRS 10: Consolidated Financial Statements.

8. Further information

In the unlikely event that the Foundation breaches any of its material obligations under the Transaction Agreements, Barloworld will have a right to repurchase the Foundation Shares.

The Specific Repurchase of 6 578 121 Foundation Shares would happen at the par value of R0.05 resulting in a cash flow of R328 906 between Barloworld and the Foundation which would eliminate on consolidation. Repurchased Shares, reflected as Treasury Shares, would be cancelled.

PRO FORMA B

The notes of *PRO FORMA A* remain applicable to *PRO FORMA B* other than those detailed below.

3. Acquisition of shares in Propco and related funding

The Employee Trust and the Management Trust will obtain funding from Barloworld which, together with 5% own funding relating to Senior Managers, will be used to invest in 79% of the Propco Shares. The remaining 21% interest in Propco will be held by the Black Public Scheme.

- (d) The total once-off equity contribution from the Employee Trust and the Management Trust for their respective 32% and 47% equity interest in Propco is R248 million, representing 20% of Propco's funding for the Properties purchase. This is represented as follows:

	R'million	Notes
Employee Trust – Employee Trust Contribution	174	v
Management Trust – Management Trust Loan	248	vi
Total Barloworld funding to the Employee Trust and the Management Trust	422	
Black Public Scheme	114	viii
Management Trust – own equity	8	vii
Equity contribution of the Employee Trust, Management Trust and the Black Public Scheme in Propco	544	20% equity contribution to fund the Propco purchase of the Properties for R2.7 billion

- (v) The Employee Trust is required to make a once off equity contribution amounting to R174 million for its 32% ownership of Propco. Barloworld will make the Employee Trust Contribution to the Employee Trust equal to this equity value in order to enable the Employee Trust to subscribe for Propco Shares.
- (vi) The Management Trust is required to make a once off equity contribution amounting to R256 million for its 47% ownership of Propco. Barloworld will provide funding to the Management Trust of R248 million as follows:
- Senior Managers (Global Grades 15 and above): Barloworld will fund R147 million the equivalent of 95% of the Senior Managers' contribution via an interest-free loan.
 - Junior Managers (Global Grades 11 – 14): Barloworld will fund 100% of the equity requirement of R101 million (no own contribution required) by way of an interest-free loan.
- (vii) Senior Managers will be required to make an own equity contribution equal to R8 million. The investment from the Employee Trust and the Management Trust, including the Management Trust Loan and the Senior Managers' own equity contribution totals an investment in Propco of R430 million.
- (viii) The Black Public Scheme is required to make a once off equity contribution amounting to R114 million for its 21% ownership of Propco. No funding will be provided to the Black Public Scheme by Barloworld.
- (e) The above Management Trust Loan and Employee Equity Contribution are required to be recognised at fair value, with the difference between the fair value and the cost of the principle loan value/cash contributions recognised in equity in the Employee Trust and the Management Trust. The fair value adjustment in equity has been determined as follows:

	R'million	R'million
Employee Trust – Employee Trust Contribution		174**
Management Trust – Management Trust Loan at fair value recognised as a non-current liability	219	
Management Trust – Management Trust Loan at cost	248	
Difference between fair value and cash loans/contributions recognised in equity		29**
Cash contribution of Senior Managers		8
Total fair value of loans and contributions recognised in equity		211

On consolidation the contributions from Barloworld at fair value are eliminated and the Senior Managers own equity contribution of R8 million together with the Black Public Scheme of R114 million are recognised as a non-controlling interest in the consolidated group.

- (f) The difference between the cost and the fair value of the Management Trust Loan (R29 million), together with the Employee Trust Contribution (R174 million) is recognised as an investment in subsidiary of R203 million in Barloworld.

4. Sale and Lease, administration costs, finance costs and tax/investment income and tax

(l) The following are included in the R155 million taxation expense under Note 4:

	R'million
Taxes on the Sale of the Properties (once off)	201 i
Deduction of Employee Trust Contribution (over two years)	(24) ii
Withholding tax on dividends paid to the Foundation	6
Other taxation adjustments resulting from the B-BBEE Transaction	(28)
	155

(i) Details of taxes on the Sale of the Properties:
Reconciliation of the taxes payable on the Sale of the Properties:

	R'million
Taxable recoupments	66
Gross CGT liability	135
Total taxes on the sale of the Properties	201

(ii) Deduction of Employee Trust Contribution
The Employee Trust Contribution is tax deductible over the vesting period, being two years.

5. IFRS 2: Share-based payment expense

An equity-settled share-based payment expense (IFRS 2 charge) arises as a result of the Employee Trust Contribution and the Management Trust Loan. This will be settled by Propco through the issuance of shares to the Employee Trust and the Management Trust, however the IFRS 2 charge is recognised by the employer companies in the Barloworld Group.

It is assumed that all participants will satisfy the service conditions associated with the Management Trust and the Employee Trust.

The total IFRS 2 charges for the Employee Trust and the Management Trust are R174 million and R129 million, respectively. These charges will be amortised over 2 years for Employees and 5 years for the Management in accordance with the vesting period as detailed in paragraph 7 of the Circular. The impact on Propco is an adjustment in equity only. These transactions continue over the vesting period.

	R'million
Annual IFRS 2 charge – Employees	87
Annual IFRS 2 charge – Management	26
Annual IFRS 2 charge – Total	113

PRO FORMA C

The notes of *PRO FORMA A* remain applicable to *PRO FORMA C* other than those detailed below.

3. Acquisition of shares in Propco and related funding

The Employee Trust and the Management Trust will obtain funding from Barloworld which, together with 5% own funding relating to Senior Managers, will be used to invest in 100% of the Propco Shares.

(g) The total once-off equity contribution from the Employee Trust and the Management Trust for their 100% equity interest in Propco is R536 million, representing 20% of Propco's funding for the Properties purchase. This is represented as follows:

	R'million	Notes
Employee Trust – Employee Trust Contribution	174	ix
Management Trust – Management Trust Loan	362	x
Total Barloworld funding to the Employee Trust and the Management Trust	536	
Management Trust – own equity	8	xi
Equity contribution of the Employee Trust, Management Trust and the Black Public Scheme in Propco	544	20% equity contribution to fund the Propco purchase of the Properties for R2.7 billion

(ix) The Employee Trust is required to make a once off equity contribution amounting to R174 million for its 32% ownership of Propco. Barloworld will make the Employee Trust Contribution to the Employee Trust equal to this equity value in order to enable the Employee Trust to subscribe for Propco Shares.

- (x) The Management Trust is required to make a once off equity contribution amounting to R370 million for its 68% ownership of Propco. Barloworld will provide funding to the Management Trust of R362 million as follows:
- Senior Managers (Global Grades 15 and above): Barloworld will fund R147 million the equivalent of 95% of the Senior Managers contribution via an interest-free loan.
 - Junior Managers (Global Grades 11 – 14): Barloworld will fund 100% of the equity requirement of R215 million (no own contribution required) by way of an interest-free loan.
- (xi) Senior Managers and Executives will be required to make an own equity contribution equal to R8 million. The investment from the Employee Trust and the Management Trust, including the Management Trust Loan and Senior Managers' own equity contribution totals an investment in Propco of R544 million.
- (h) The above Management Trust Loan and Employee Trust Contribution are required to be recognised at fair value, with the difference between the fair value and the cost of the principle loan value/cash contributions recognised in equity in the Employee Trust and the Management Trust. The fair value adjustment in equity has been determined as follows:

	R'million	R'million
Employee Trust – Employee Trust Contribution		174**
Management Trust – Management Trust Loan at fair value recognised as a non-current liability	320	
Management Trust – Management Trust Loan at cost	362	
Difference between fair value and cash loans/contributions recognised in equity		42**
Cash contribution of Senior Managers		8
Total fair value of loans and contributions recognised in equity		224

On consolidation the contributions from Barloworld are eliminated and the Senior Managers own equity contribution of R8 million is recognised as a non-controlling interest in the consolidated group.

- (i) **The difference between the cost and the fair value of the Management Trust Loan (R42 million), together with the Employee Trust Contribution (R174 million) is recognised as an investment in subsidiary of R216 million in Barloworld.

4. Sale and Lease, administration costs, finance costs and tax/investment income and tax

- (m) The following are included in the R153 million taxation expense under Note 4:

	R'million
Taxes on the Sale of the Properties (once off)	201 i
Deduction of Employee Trust Contribution (over two years)	(24) ii
Withholding tax on dividends paid to the Foundation	6
Other taxation adjustments resulting from the B-BBEE Transaction	(30)
	153

- (i) Details of taxes on the Sale of the Properties:

Reconciliation of the taxes payable on the Sale of the Properties:

	R'million
Taxable recoupments	66
Gross CGT liability	135
Total taxes on the sale of the Properties	201

- (ii) Deduction of Employee Trust Contribution

The Employee Trust Contribution is tax deductible over the vesting period, being two years.

5. IFRS 2: Share-based payment expense

An equity-settled share-based payment expense (IFRS 2 charge) arises as a result of the Employee Trust Contribution and the Management Trust Loan. This will be settled by Propco through the issuance of shares to the Employee Trust and the Management Trust, however the IFRS 2 charge is recognised by the employer companies in the Barloworld Group.

It is assumed that all participants will satisfy the service conditions associated with the Management Trust and the Employee Trust.

The total IFRS 2 charge for the Employee Trust and Management Trust are R174 million and R190 million respectively. These charges will be amortised over 2 years for Employees and 5 years for Management in accordance with the vesting period as detailed in paragraph 7 of the Circular. The impact on Propco is an adjustment in equity only. These transactions continue over the vesting period.

	R'million
Annual IFRS 2 charge – Employees	87
Annual IFRS 2 charge – Management	38
Annual IFRS 2 charge – Total	125

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

“INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

The Directors
Barloworld Limited
61 Katherine Street
Sandton
2146

Dear Sirs/Mesdames

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Barloworld Limited by the directors. The *pro forma* financial information, as set out in paragraph 6 and Annexure 5 of the circular (“the circular”), to be dated on or about 18 December 2018, consists of a *consolidated Income Statement* and *consolidated Statement of Financial Position* and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Paragraph 2 of the circular, on the Barloworld Limited’s financial position as at 30 September 2018 and the Barloworld Limited’s financial performance for the period then ended, as if the corporate action or event had taken place at 1 October 2017 and for the period then ended. As part of this process, information about the group’s *financial position* and *financial performance* has been extracted by the directors from the group’s financial statements for the year ended 30 September 2018, on which an unmodified auditor’s report was issued on 16 November 2018.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Paragraph 6 and Annexure 5.

Our Independence and Quality Control

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

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

Reporting Accountant’s Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

The purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2018 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the

compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

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

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

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Paragraph 6 and Annexure 5.

Deloitte & Touche

Registered Auditor

Per: Bongisipho Nyembe

Partner

7 December 2018

Buildings 1 and 2

Deloitte Place

The Woodlands

Woodlands Drive

Woodmead Sandton

2196"

TRADING HISTORY OF BARLOWORLD ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume (cents)	Value (R)
Monthly 2017					
December	16 879	13 966	15 956	15 806 700	2 452 468 627
Monthly 2018					
January	18 592	15 210	16 878	24 073 090	4 039 577 711
February	19 000	14 973	17 803	17 877 080	3 085 089 731
March	18 235	15 849	16 606	15 792 040	2 706 976 659
April	17 392	15 937	16 914	15 353 960	2 557 286 936
May	17 126	12 855	13 300	17 781 230	2 659 409 344
June	14 799	12 114	12 970	25 294 090	3 321 340 934
July	13 314	12 300	12 680	17 407 070	2 213 709 021
August	13 689	11 601	12 500	20 812 550	2 441 334 068
September	12 911	11 800	12 317	20 806 800	2 548 305 092
October	12 400	11 000	12 000	18 293 640	2 150 267 089
November	13 098	10 910	11 501	22 523 300	2 639 909 835
Daily November					
2018/11/5	12 899	12 450	12 620	1 059 360	133 417 123
2018/11/6	12 836	12 342	12 509	1 025 940	128 636 748
2018/11/7	12 820	12 250	12 650	998 060	125 994 715
2018/11/8	13 098	12 390	12 390	612 310	77 061 026
2018/11/9	12 650	11 926	12 204	652 540	79 383 038
2018/11/12	12 316	11 627	11 834	955 620	113 628 531
2018/11/13	12 109	11 620	11 721	864 150	101 825 491
2018/11/14	11 940	11 413	11 675	697 120	80 551 135
2018/11/15	11 899	11 412	11 692	846 280	98 965 227
2018/11/16	11 862	11 500	11 590	768 380	89 858 268
2018/11/19	12 099	11 426	11 496	1 521 240	175 942 055
2018/11/20	11 506	11 075	11 315	1 402 220	158 499 938
2018/11/21	11 563	11 109	11 244	1 948 110	220 167 060
2018/11/22	11 454	11 165	11 217	1 023 010	115 153 075
2018/11/23	11 205	10 910	11 128	1 352 930	149 428 413
2018/11/26	11 475	11 010	11 365	2 710 330	307 717 317
2018/11/27	11 582	11 343	11 354	556 230	63 619 919
2018/11/28	11 753	11 354	11 550	704 030	81 528 786
2018/11/29	11 993	11 371	11 990	763 340	90 203 888
2018/11/30	12 098	11 434	11 501	914 250	105 995 402
Daily December					
2018/12/03	11 935	11 616	11 658	681 680	79 925 617
2018/12/04	11 923	11 508	11 700	974 760	115 252 698
2018/12/05	12 000	11 317	11 560	1 142 210	131 495 784

MATERIAL CONTRACTS

Material Contracts

Contract	Parties	Date	Nature and salient terms
Sale and purchase agreement	Barloworld and Tesa S.p.A (a privately owned Italian group)	25 April 2018	Disposal of the Iberian equipment operations by Barloworld, acting through its wholly-owned subsidiary, Barloworld UK Limited, selling 100% of the shares in Barloworld International to Tesa S.p.A. On closing (11 June 2018), Tesa S.p.A settled R2 182 million in cash with the balance of R151 million deferred and payable in equal instalments over a 5-year period. The group has provided specific warranties and indemnities as well as a guarantee in respect of its obligations post-closing.
Framework Agreement (this agreement is summarised in further detail below)	Barloworld; Barloworld SA; Barloworld Logistics; Propco; The Management Trust; The Employee Trust; The Foundation	16 November 2018	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. (see further details below in this Annexure 8)
Employee Trust Deed	The First Trustees of the Employee Trust; Barloworld (as founder)	16 November 2018	<p>The Employee Trust Deed is the founding document of the Employee Trust. It serves as the constitution of the Employee Trust and regulates the powers, duties and rights of the trustees as well as the rights and entitlements of the beneficiaries thereunder.</p> <p>The Employee Trust was established by Barloworld for the benefit of its Employees, who shall be allocated interests in the Employee Trust in line with the EAP Targets.</p> <p>The Employee Trust is established in terms of Annexe 100(B) and Annexe 100(D) of the Codes.</p> <p>The first trustees of the Employee Trust are Rebecca Pole and Tantaswa Fubu who are employees of Barloworld but not a Director or Principal Executive Officer. The Employee Trust Deed provides for the election of other trustees by its beneficiaries following the award of units thereunder. Following the award of units by the Employee Trust, the majority of the future trustees will be independent of Barloworld. (see paragraph 2.8 of this Circular)</p>
Employee Trust Contribution Agreement	The Employee Trust; Barloworld	16 November 2018	The Employee Trust Contribution Agreement governs the non-refundable contribution to be made by Barloworld to the Employee Trust to enable it to subscribe for Propco Shares in terms of the Employee Trust Subscription Agreement. (see paragraph 2.5.1 of this Circular)

Contract	Parties	Date	Nature and salient terms
Management Trust Deed	The First Trustees of the Management Trust; Barloworld (as founder)	16 November 2018	<p>The Management Trust Deed is the founding document of the Management Trust. It serves as the constitution of the Management Trust and regulates the powers, duties and rights of the trustees as well as the rights and entitlements of the beneficiaries thereunder.</p> <p>The Management Trust was established by Barloworld for the benefit of the Management, who shall be allocated interests in the Management Trust in line with the EAP Targets.</p> <p>The Management Trust is established in terms of Annexe 100(B) and Annexe 100(D) of the BEE Codes.</p> <p>The first trustees of the Management Trust will be Rebecca Pole and Tantaswa Fubu who are employees of Barloworld but not a Director or Principal Executive Officer. The Management Trust Deed provides for the election of the trustees by its beneficiaries following the award of units thereunder. Following the award of units by the Management Trust, the majority of the future trustees will be independent of Barloworld. (see paragraph 2.7 of this Circular)</p>
Management Loan Agreement	The Management Trust; Barloworld	16 November 2018	<p>The Management Loan Agreement regulates the terms upon which Barloworld will lend and advance an interest-free loan to the Management Trust to enable it to subscribe for the Propco Shares on the terms of the Management Subscription Agreement. (see paragraph 2.5.1 of this Circular)</p>
The Property Sale Agreement	Barloworld; Propco	16 November 2018	<p>The Property Sale Agreement regulates the sale of the Properties by Barloworld to Propco.</p> <p>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. (see paragraph 2.5 of this Circular and 4.4 below)</p>
The Property Lease Agreements including the Barloworld Lease Guarantee	Barloworld; Propco	16 November 2018	<p>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.</p> <p>Barloworld undertakes to provide Propco with security for the rental obligations of the Lessees under the Property Lease Agreements. (see paragraphs 2.5 and 2.10 of this Circular and 4.4 below)</p>
The Foundation Trust Deed	The First Trustees of the Foundation; Barloworld (as founder)	16 November 2018	<p>The Foundation Trust Deed is the founding document of the Foundation. It serves as the constitution of the Foundation and regulates the powers, duties and rights of the trustees as well as the rights and entitlements of the beneficiaries thereunder.</p> <p>The Foundation was established by Barloworld as a Broad-Based Ownership Scheme in accordance with Annexe 100 (B) and Annexe 100 (D) of the Codes.</p> <p>The first trustees of the Foundation Trust will be Rebecca Pole and Tantaswa Fubu who are employees of Barloworld but not a Director or Principal Executive Officer. The majority of the future trustees (i.e. more than 70%) will be independent of Barloworld effective from the Implementation Date. (see paragraphs 2.3 and 2.4 of this Circular)</p>
Foundation Subscription Agreement	The Foundation; Barloworld	16 November 2018	<p>The Foundation Subscription Agreement regulates the terms upon which the Foundation will subscribe for, and the terms upon which Barloworld will allot and issue to the Foundation, Shares in Barloworld. (see paragraphs 2.3 and 2.4 of this Circular)</p>
Propco Subscription Agreement	Propco; Barloworld	16 November 2018	<p>The Propco Subscription Agreement regulates the terms upon which Barloworld will allot and issue Shares to Propco from time to time. (see paragraph 2.6.1 of this Circular)</p>

Framework Agreement

1. The Framework Agreement is entered into between Barloworld, Barloworld South Africa, Barloworld Logistics, Propco, the Employee Trust, the Management Trust and the Foundation.
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.
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.
4. The salient terms of the Framework Agreement, as more fully set out in paragraph 2 of this Circular, include:
 - 4.1 **the implementation of the Barloworld Internal Restructure:**
 - 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 Group Companies (other than Barloworld) who are the owners of such Properties; and
 - 4.1.2 Barloworld (as lessor) will conclude the Property Lease Agreements with each of Barloworld South Africa and Barloworld Logistics (as lessees).
 - 4.2 **the implementation of the Specific Issue of Shares to the Foundation:**
 - 4.2.1 the Foundation is established in terms of the Foundation Trust Deed by Barloworld for the benefit of Black People and complies with Annexe 100 (B) and Annexe 100 (D) of the BEE Codes;
 - 4.2.2 the Foundation will subscribe for, and Barloworld will allot and issue to the Foundation, Barloworld Shares comprising 3% of the issued share capital of Barloworld, at their par value and on the terms set out in the Foundation Subscription Agreement;
 - 4.2.3 accordingly, the Foundation's shareholding in Barloworld will contribute towards and increase the ownership of Barloworld by Black People;
 - 4.2.4 the Foundation will utilise all distributions it receives from the Barloworld Shares for the benefit of its beneficiaries, who shall at all times comprise 100% Black People;
 - 4.2.5 it is the intention that the Foundation will hold the Barloworld 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. However, should the Foundation breach any of its material obligations under the Transaction Agreements, Barloworld has an option to repurchase all or a portion of the Foundation Shares at their par value; and
 - 4.2.6 the Foundation Trust Deed provides that the Foundation must at all times maintain its BEE Status as a Black Entity in terms of the BEE Codes, and further, ensure that at all times it complies with Annexe 100 (B) and Annexe 100 (D) of the BEE Codes. The Foundation must maintain its BEE Status at a level no less than it is, as at the Implementation Date.
 - 4.3 **Propco**
 - 4.3.1 Propco will acquire the Properties as a Qualifying Transaction involving the sale of an asset or business under Statement 102 of the BEE Codes;
 - 4.3.2 Propco 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;
 - 4.3.3 Propco shall fund the Disposal Consideration by way of an External Loan (approximately 70% to 80%) and from subscription proceeds (to a maximum of 30%). Barloworld shall support Propco in securing the External Loan by guaranteeing Barloworld South Africa and Barloworld Logistics' rental obligations under the Property Lease Agreements;
 - 4.3.4 Propco shall secure equity funding from its shareholders (who shall all be Black Entities), namely: (i) the Management Trust (38% interest in Propco), (ii) the Employee Trust (32% interest in Propco) and (iii) the Black Public (30% interest in Propco);
 - 4.3.5 the Propco MOI contains restrictive conditions, *inter alia*, obliging Propco 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 Propco Shares shall not be transferable. Thereafter, until the expiry of the Empowerment Period, the Propco 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 Propco Shares after the expiry of the Lock-In Period, Propco shall investigate the feasibility of listing its shares on the B-BBEE Segment;

4.3.6 in addition, in terms of the Framework Agreement and the Propco MOI, Propco provides, *inter alia*, the following undertakings to Barloworld:

- 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;
- 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;
- 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 Propco 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;
- 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 Propco pursuant to the Property Sale Agreement;
- be a Black Company on the Implementation Date and thereafter for the duration of the Empowerment Period;
- (save for the limited exceptions permitted in the Propco MOI) ensure that 100% of all of the voting rights in Propco will be exercisable, directly or indirectly by Black People and Black Groups;
- ensure that its shareholders remain Black People or Black Groups. In this regard, the Propco MOI grants Propco the irrevocable right (and not obligation) to repurchase Propco 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
- 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 Propco Subscription Agreement. As Propco is a Black Company, this will further contribute towards and increase the ownership of Barloworld by Black People;

4.3.7 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 Propco. The Management Trust has the right to appoint a Barloworld nominee to the Propco board for as long as the Management Trust Loan is outstanding.

4.4 Sale of the Properties to Propco

4.4.1 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 Propco, and Barloworld's rights and obligations in and to the Property Lease Agreements will assign to Propco, and consequently the Properties will be transferred to Propco as going concerns;

4.4.2 the Properties will be disposed of on the terms set out in the Property Sale Agreement;

4.4.3 in compliance with Statement 102, Propco 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;

4.4.4 in the event that Propco decides (in its sole discretion) to dispose of any Property, it shall first offer such Property to Barloworld at fair market value;

4.4.5 Propco shall be afforded the opportunity to make proposals to the Barloworld Group Companies in respect of the Group's property requirements;

4.5 Lease of the Properties by Propco

4.5.1 Propco 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 Propco by operation of law as a result of the sale of the Properties by Barloworld to Propco;

4.5.2 Barloworld shall provide the Barloworld Lease Guarantee to secure Barloworld South Africa's and Barloworld Logistics' rental obligations under the Property Lease Agreements;

4.6 **Management Trust and Employee Trust acquiring Propco Shares**

- 4.6.1 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 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 Propco will contribute towards the ownership of Propco by Black People and Black Groups;
- 4.6.2 the Employee Trust and the Management Trust shall distribute one third of the net Propco 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;
- 4.6.3 any beneficiary of the Employee Trust who ceases to be employed by a 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 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;
- 4.6.4 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 Propco Shares equating to approximately 32% of Propco's issued share capital; and
- 4.6.5 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 Propco Shares equating to approximately 32% (or up to 68%, if the Public Offer is wholly or partially unsuccessful) of Propco'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 Propco Shares it holds shall initially be used to reduce (and settle) the amount outstanding under the Management Trust Loan.

4.7 **Black Public acquiring Propco Shares**

- 4.7.1 Propco shall offer 30% of its issued share capital to the Black Public by way of the Black Public Scheme. In this regard, Propco shall ensure that it issues a prospectus to the public as soon as reasonably possible after the B-BBEE Transaction becomes unconditional. The Black Propco shareholders shall be subject to verification of their BEE Status, as set out in the Propco MOI;
- 4.7.2 in terms of the Framework Agreement, Propco will abandon the Black Public Scheme if the Black Public does not subscribe for Propco Shares the aggregate subscription price of which exceeds the Minimum Subscription Amount. In this event, or to the extent that the Propco Shares are not subscribed for pursuant to the Public Offer, the Management Trust will take up such Propco 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 Propco; and
- 4.7.3 the Black Public shareholders of Propco (as are the Management Trust and the Employee Trust) are subject to the restrictions set out in the Propco MOI in respect of being, and remaining, Black Entities for the duration of the Empowerment Period.

5. The transactions set out in the Framework Agreement and comprising the B-BBEE Transaction are indivisible.

Other Transaction Agreements related to the B-BBEE Transaction to which Barloworld is not a party:

Contract	Parties	Date	Nature and salient terms
Employee Trust Subscription Agreement	The Employee Trust (as subscriber); Propco (as issuer)	16 November 2018	The Employee Trust Subscription Agreement regulates the terms upon which the Employee Trust will subscribe for, and the terms upon which Propco will allot and issue, Propco Shares to the Employee Trust.
Management Trust Subscription Agreement	The Management Trust (as subscriber); Propco (as issuer)	16 November 2018	The Management Trust Subscription Agreement regulates the terms upon which the Management Trust will subscribe for, and the terms upon which Propco will allot and issue, Propco Shares to the Management Trust.
Propco MOI	Propco; The directors of Propco from time to time; The shareholders of Propco from time to time	16 November 2018	Propco's memorandum of incorporation is its constitution. As Propco's powers are intended to be limited, the Propco MOI contains restrictive conditions, certain of which are in favour of Barloworld, and which are intended to ensure Propco remains a Black Company.

CONDITIONS PRECEDENT

As the B-BBEE Transaction is intended to comprise a single indivisible transaction, the conditions precedent to each of the transactions comprising the B-BBEE Transaction have been set out under the Framework Agreement and each individual transaction comprising the B-BBEE Transaction is subject to the fulfilment, alternatively to the extent legally permissible the waiver, of the following Conditions Precedent:

- the entry into funding arrangements in respect of the External Loan by Propco, on terms which are acceptable to the Company, in order to enable Propco to fund the Disposal Consideration;
- inasmuch as may be required, the Competition Commission and/or Competition Tribunal 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 the Company and Propco;
- delivery by the Company of written notice to Propco advising that all conditions, other than this condition, have been fulfilled, the Company 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;
- a resolution of the board of directors of Propco authorising its entry into the Transaction Agreements;
- resolutions of the Shareholders of the Company:
 - authorising the grant of financial assistance by the Company to the Foundation on the terms of the Foundation Trust Deed in accordance with section 44 and section 45 of the Companies Act;
 - authorising the allotment and issue of the Foundation Shares to the Foundation on the terms of the Foundation Subscription Agreement in accordance with paragraph 5.51(g) of the JSE Listings Requirements and section 41 of the Companies Act;
 - authorising, in accordance with section 5.69(b) of the JSE Listings Requirements the repurchase of Barloworld Shares in terms of the call option provisions of the Foundation Subscription Agreement and the Foundation Trust Deed;
 - authorising the grant of financial assistance by the Company to the Employee Trust on the terms of the Employee Trust Contribution Agreement in accordance with section 44 and section 45 of the Companies Act;
 - authorising the grant of financial assistance by the Company to the Management Trust on the terms of the Management Trust Loan Agreement in accordance with section 44 and section 45 of the Companies Act;
 - authorising the sale of the Properties by the Company to Propco in accordance with paragraph 10.4(d) of the JSE Listings Requirements;
 - approving the lease by the Company of the Properties to the Lessees under the Property Lease Agreements in accordance with section 10.4(d) of the JSE Listings Requirements;
 - authorising the grant of financial assistance by the Company to Propco on the terms of the Barloworld Lease Guarantee in accordance with section 45 of the Companies Act;
- resolutions of the shareholders of Propco authorising the allotment and issue of Shares to the Employee Trust and the Management Trust in accordance with section 41 of the Companies Act; and
- resolutions of the board of directors of Propco authorising the allotment and issue of the shares in Propco to the Management Trust and the Employee Trust in accordance with section 38 and section 40 of the Companies Act.

In addition to the aforementioned suspensive conditions, 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:

- the payment to the Company by Propco of all the amounts required to be paid by Propco to the Company under the relevant Property Sale Agreement (including any conveyancing fees, transfer charges and other costs);

- 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 Propco to the Company;
- the delivery by Propco 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;
- 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
- the release of any security registered over the Property.

Furthermore, prior to the Sale and as a condition precedent to the Property Sale Agreement, Barloworld will undertake the Barloworld Internal Restructure, which does not require Shareholder approval.

DIRECTORS OF MAJOR SUBSIDIARY COMPANIES

Barloworld SA

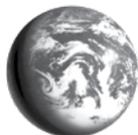
Name	Age	Designation	Business address
Tantaswa Fubu	46	Director	61 Katherine Street, Sandton
Gale Antonette Lemmert	54	Director	6 Anvil Road, Isando
Matimba Mahange	45	Director	61 Katherine Street, Sandton
Mangakane Mamahlape Andronicca Masemola	44	Director	61 Katherine Street, Sandton
Litha Carl Nkombisa	51	Director	61 Katherine Street, Sandton
Dominic Malentsha Sewela	53	Director	61 Katherine Street, Sandton
Donald Gert Wilson	61	Director	61 Katherine Street, Sandton

Barloworld Holdings Limited – UK

Name	Age	Designation	Business address
Dominic Malentsha Sewela	53	Director	61 Katherine Street, Sandton
Donald Gert Wilson	61	Director	61 Katherine Street, Sandton
Andrew Charles Bannister	61	Director	Ground Floor Statesman House Stafferton Way Maidenhead Berkshire UK

Zeda Car Leasing Proprietary Limited

Name	Age	Designation	Business address
Gale Antonette Lemmert	54	Director	6 Anvil Road, Isando
Litha Carl Nkombisa	51	Director	61 Katherine Street, Sandton
Johannes Albertus Geldenhuys	50	Director	6 Anvil Road, Isando
Nosipiwo Ngxabazi	46	Director	6 Anvil Road, Isando
Michelle Barbara Elinor Erasmus	46	Director	6 Anvil Road, Isando



Barloworld

Leading brands

BARLOWORLD LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1918/000095/06)

Share code: BAW ISIN: ZAE000026639

Share code: BAWP ISIN: ZAE000026647

("Barloworld" or "the Company")

NOTICE OF GENERAL MEETING

Terms defined in the circular to which this notice of general meeting is attached ("Circular") shall, unless the context indicates otherwise, bear the same meaning ascribed to them in these resolutions as those ascribed to them in the Circular.

Notice is hereby given that a General Meeting of the Barloworld Shareholders and Preference Shareholders will be held at 180 Katherine Street, Sandton, 2196, on Thursday, 14 February 2019 at 14:00, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out below.

Preference Shareholders may attend, but not vote at the General Meeting.

The Record Date in terms of section 59 of the Companies Act for Shareholders to be recorded in the Register in order to be able to attend, participate and vote at the General Meeting is Friday, 8 February 2019.

ORDINARY RESOLUTION NUMBER 1 – SPECIFIC ISSUE OF SHARES TO THE FOUNDATION

"RESOLVED THAT, subject to the passing of Special Resolution Numbers 1, 2 and 3, the Shareholders hereby grant specific approval for the Company to allot and issue 6 578 121 Barloworld Shares to the Foundation, which shares will rank *pari passu* with the existing ordinary shares in the Company, for cash at their par value (i.e. at approximately a 99.96% discount to Barloworld's 30 day VWAP as detailed in paragraph 2.3 of the Circular) in accordance with and subject to the terms set out in the Foundation Subscription Agreement, and that all of these Barloworld Shares be and are hereby placed under the control of the Directors for the allotment and issue as described above."

Reason for and effect of ordinary resolution number 1

The reason for Ordinary Resolution Number 1 is to approve and authorise the Specific Issue of Shares to the Foundation as required by the JSE Listings Requirements.

The effect of Ordinary Resolution Number 1 is to permit the Company to issue the Foundation Shares to the Foundation which shall hold the Foundation Shares, for the benefit of its beneficiaries, who are Black People and/or Black Groups.

Voting requirement

The resolution shall, in accordance with paragraph 5.51(g) of the JSE Listings Requirements, be subject to the approval by ordinary resolution passed by at least 75% of the total votes exercised by the Shareholders present, in person or represented by proxy at the General Meeting, and entitled to vote on such resolution.

SPECIAL RESOLUTION NUMBER 1 – AUTHORITY FOR SPECIFIC REPURCHASE

"RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1, the Shareholders hereby grant specific approval as contemplated in paragraph 5.69(b) of the JSE Listings Requirements and clause 4.6 of the Barloworld MOI for the Company or any of its subsidiaries, to repurchase or acquire such number of Foundation Shares as the Company may be entitled to acquire, on the dates and in accordance with the terms and conditions set out in the Foundation Subscription Agreement, provided that the repurchase or acquisition of the Foundation Shares pursuant to this Special Resolution Number 1 shall not take effect unless, at the time that any such repurchase or acquisition takes place, the requirements of section 48 (read with section 46) of the Companies Act (as those sections are amended, or substituted from time to time) and paragraph 5.69(c)-(h) of the JSE Listings Requirements (as that paragraph is amended or substituted from time to time) have been met."

Directors' undertaking

The Directors undertake that, to the extent it is still required by the JSE Listings Requirements and the Companies Act at the time such repurchase or acquisition is implemented, they will not implement any such repurchase or acquisition unless:

- the Company and all its subsidiaries will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of such repurchase;

- the assets of the Company and all its subsidiaries will exceed the liabilities of the Company and all its subsidiaries for a period of 12 months after the date of such repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the Company’s latest audited annual financial statements;
- the Company and all its subsidiaries will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of such repurchase;
- the working capital of the Company and all its subsidiaries will be adequate for ordinary business purposes for a period of 12 months after the date of such repurchase;
- the Company will publish a SENS announcement in compliance with the JSE Listings Requirements containing the details of the repurchase and working capital statement prescribed above;
- the Company or any of its subsidiaries will not repurchase or acquire securities in a prohibited period, unless it announced the full details of the repurchase or acquisition (including the dates and quantities of the securities to be traded) prior to the commencement of the prohibited period; and
- a resolution by the Board that they have authorised the repurchase or acquisition, that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of any company of the Group.

Reason for and effect of special resolution number 1

The reason for Special Resolution Number 1 is to give the Company the specific authority required in terms of paragraph 5.69 (b) of the JSE Listings Requirements and clause 4.6 of the Barloworld MOI to repurchase or acquire the Foundation Shares in accordance with the terms and conditions of the Foundation Subscription Agreement, on the date of the Specific Repurchase.

The effect of Special Resolution Number 1 is to permit the Company or its subsidiaries to acquire the Foundation Shares, in the event the Foundation breaches any of its obligations under the Transaction Agreements.

Voting requirement

The resolution shall, in accordance with paragraph 5.69(b) of the JSE Listings Requirements, be subject to the approval by special resolution passed by at least 75% of the total votes exercised by the Shareholders, present in person or represented by proxy at the General Meeting, and entitled to vote on such resolution.

ORDINARY RESOLUTION NUMBER 2 – DISPOSAL OF PROPERTIES

“RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1 and Special Resolution Number 2, Barloworld be and is hereby authorised to dispose of the Properties to Propco, on the terms and conditions set out in the Property Sale Agreement, to be settled by the payment of R2.722 billion by Propco in cash as more fully described in paragraph 2.5 of the Circular.”

Reason for and effect of ordinary resolution number 2

The reason for Ordinary Resolution Number 2 is to authorise the Company to dispose of the Properties to Propco.

The effect of Ordinary Resolution Number 2 is that the Company will be authorised to dispose of the Properties to Propco, which disposal will constitute a Qualifying Transaction under Statement 102 of the BEE Codes.

Voting requirement

This resolution shall, in accordance with paragraphs 10.4(d), (e) and (f) of the JSE Listings Requirements, be subject to the approval by ordinary resolution passed by more than 50% of the total votes exercised by the Shareholders present or represented by proxy at the General Meeting and entitled to vote on such resolution, excluding the related parties (being DM Sewela, E Leeka and K Rankin) and their associates, but the related parties will be included in the quorum.

ORDINARY RESOLUTION NUMBER 3 – PROPERTY LEASE AGREEMENTS

“RESOLVED THAT, subject to the passing of Ordinary Resolution Number 2, the Company be and is hereby authorised to enter into the Property Lease Agreements with each of the Lessees on the terms of the Property Lease Agreements, and its rights and obligations in and to the Property Lease Agreements will assign to Propco, as more fully described in the Circular.”

Reason for and effect of ordinary resolution number 3

The reason for Ordinary Resolution Number 3 is to authorise the Company to enter into the Property Lease Agreements inasmuch as Propco may be deemed to be related or inter-related to the Company.

The effect of Ordinary Resolution Number 3 is that the Company will be authorised to conclude the Property Lease Agreements with the Lessees, and the Company’s rights and obligations in and to the Property Lease Agreements will subsequently be assigned to Propco pursuant to the Sale.

Voting requirement

This resolution shall, in accordance with paragraphs 10.4(d), (e) and (f) of the JSE Listings Requirements, be subject to the approval by ordinary resolution passed by more than 50% of the total votes exercised by the Shareholders, present or represented by proxy at the General Meeting, and entitled to vote on such resolution, excluding the related parties (being DM Sewela, E Leeka and K Rankin) and their associates, but the related parties will be included in the quorum.

SPECIAL RESOLUTION NUMBER 2 – PROVISION OF FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED PARTIES

“RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1 and Special Resolution Number 3, to the extent required by the Companies Act and subject to compliance with the requirements of the Companies Act and the JSE Listings Requirements, the Board be and is hereby authorised to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, to the Management Trust, the Employee Trust and/or the Foundation and/or Propco, inasmuch as they may be deemed to be related or inter-related to the Company, and to any of one or more of its Subsidiaries in respect of the guaranteeing of their obligations as Lessees under the Property Lease Agreements by providing the Barloworld Lease Guarantee.”

Reason for and effect of special resolution number 2

The reason for Special Resolution Number 2 is to authorise the Company to provide financial assistance to:

- (i) the Management Trust, in accordance with the terms of and in the amounts set out under the Management Trust Loan Agreement;
- (ii) Employee Trust, in accordance with the terms of and in the amount set out under the Employee Trust Contribution Agreement; for the purposes of giving effect to the subscription by those entities for Propco Shares; and
- (iii) the Foundation, on the terms of and in amounts set out under the Foundation Trust Deed, for the purpose of giving effect to the subscription by the Foundation for Barloworld Shares.

In addition, the purpose of the resolution is to authorise the Company to provide financial assistance:

- (i) for the Sale of the Properties to Propco at a 1.2% discount to the Properties' Market Value, to the extent that it may constitute financial assistance; and
- (ii) to its Subsidiaries in the form of a guarantee in favour of Propco for the obligations of these Subsidiaries under the Property Lease Agreements, on the terms set out under the Barloworld Lease Guarantee.

The Employee Trust, the Management Trust, Propco and the Foundation are related and/or inter-related to the Company in terms of section 2 (read with 3) of the Companies Act.

The effect of this resolution is to authorise the Company to provide Financial Assistance to its related and inter-related parties.

Voting requirement

The resolution shall, in accordance with section 45 of the Companies Act, be subject to the approval by special resolution passed by at least 75% of the total votes exercised by the Shareholders, present in person or represented by proxy at the General Meeting, and entitled to vote on such resolution, excluding the related parties (being DM Sewela, E Leeka and K Rankin) and their associates, but the related parties will be included in the quorum.

SPECIAL RESOLUTION NUMBER 3 – PROVISION OF FINANCIAL ASSISTANCE FOR SUBSCRIPTION FOR SECURITIES

“RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1 and Special Resolution Number 2, to the extent required by the Companies Act and subject to compliance with the requirements of the Companies Act and the JSE Listings Requirements, the Board be and is hereby authorised to provide financial assistance, as contemplated in section 44 of the Companies Act, to the Foundation in connection with the subscription by the Foundation for Shares, and, to the extent as Propco may be deemed to be related or inter-related to the Company, to the Management Trust and the Employee Trust in connection with the subscription by the Management Trust and the Employee Trust for shares in Propco.”

Reason for and effect of special resolution number 3

In terms of the B-BBEE Transaction, the Company will provide financial assistance to the Foundation, for the purposes of giving effect to the subscription by the Foundation for the Foundation Shares on the terms set out in the Foundation Subscription Agreement, and to the Employee Trust and the Management Trust for the purpose of those trusts subscribing for shares in Propco.

The effect of this resolution is to authorise the Company to provide Financial Assistance for the subscription of Shares by the Foundation, and to the Employee Trust and the Management Trust for the purpose of those trusts subscribing for shares in Propco.

Voting requirement

The resolution shall, in accordance with section 44 of the Companies Act, be subject to the approval by special resolution passed by at least 75% of the total votes exercised by the Shareholders, present in person or represented by proxy at the General Meeting, and entitled to vote on such resolution, excluding the related parties (being DM Sewela, E Leeka and K Rankin) and their associates, but the related parties will be included in the quorum.

SPECIAL RESOLUTION NUMBER 4 – AUTHORITY TO ISSUE SHARES IN TERMS OF SECTION 41(1) OF THE COMPANIES ACT

“RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1, the directors of the Company be and are hereby authorised, in accordance with the provisions of section 41(1) of the Companies Act, to allot and issue new Shares in the authorised but unissued share capital of the Company for cash, to the Foundation on the terms of the Foundation Subscription Agreement.”

Reason for and effect of special resolution number 4

The reason for Special Resolution Number 4 is to permit the Company to issue new Shares to the Foundation, as the Foundation is deemed to be related or inter-related to the Company, on the terms of the Foundation Subscription Agreement in accordance with the provisions of section 41(1) of the Companies Act.

The effect of this resolution is to authorise the Company to allot and issue new Shares to the Foundation.

Voting requirement

The resolution shall, in accordance with section 41(1) of the Companies Act, be subject to the approval by special resolution passed by at least 75% of the total votes exercised by the Shareholders, present in person or represented by proxy at the General Meeting, and entitled to vote on such resolution.

ORDINARY RESOLUTION 4 – GENERAL AUTHORITY TO DIRECTORS

“RESOLVED THAT, any Director of the Company (other than DM Sewela) be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the above special and ordinary resolutions.”

Voting Requirement

This resolution shall be subject to approval by ordinary resolution passed by more than 50% of the total votes exercised by the Shareholders, present in person or represented by proxy at the General Meeting, and entitled to vote on such resolution, excluding the related parties (being DM Sewela, E Leeka and K Rankin) and their associates, but the related parties will be included in the quorum.

VOTING, PROXIES AND ELECTRONIC PARTICIPATION

Shareholders who have not dematerialised their Shares or who have dematerialised their Shares with own-name registration, and who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a Shareholder and shall be entitled to vote on a show of hands or poll. It is requested that forms of proxy be forwarded so as to reach the Transfer Secretaries by no later than the Relevant Time. If Shareholders who have not dematerialised their Shares or who have dematerialised their Shares with own-name registration, and who are entitled to attend and vote at the General Meeting do not deliver forms of proxy to the Transfer Secretaries by the Relevant Time, such Shareholders will nevertheless at any time prior to the commencement of the voting on the resolutions at the General Meeting be entitled to lodge the form of proxy in respect of the General Meeting, in accordance with the instructions therein with the chairperson of the General Meeting. Forms of proxy must only be completed by Shareholders who have not dematerialised their Shares or who have dematerialised their Shares with own-name registration.

On a show of hands, every Shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of Shares such member holds. On a poll, every Shareholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for every Share held or represented by that Shareholder. On a poll taken at any such meeting, a Shareholder entitled to more than one vote need not, if he/she votes, use all of his/her votes or cast all the votes he/she uses in the same way.

The holders of the Preference Shares are not entitled to vote on any of the resolutions set out above.

Shareholders who have dematerialised their Shares, other than those Shareholders who have dematerialised their Shares with own-name registration, should contact their Broker or Participant in the manner and time stipulated in the agreement entered into between them and their Broker or Participant:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the General Meeting, to obtain the necessary letter of representation to do so.

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in a Shareholders' meeting, that person must present reasonable satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder or as a proxy of a Shareholder, has been reasonably verified.

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call. Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice (with identification) to the Company at 61 Katherine Street, Sandton, 2196 (marked for the attention of the company secretary of Barloworld) by no later than Monday, 11 February 2019 that they wish to participate via electronic communication at the General Meeting. Barloworld's company secretary will provide the dialling code and pin number. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the General Meeting. Access by means of electronic communication will be at the expense of Barloworld.

By order of the Board
18 December 2018

Registered Office

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

Company Secretary

Andiswa Thandeka Ndoni

Transfer secretaries – South Africa

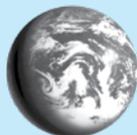
Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, 19 Ameshoff Street, Braamfontein,
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Transfer secretaries – Namibia

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

Registrars – United Kingdom

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



Barloworld

Leading brands

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

FORM OF PROXY – GENERAL MEETING

To be completed by registered Certificated Shareholders and Dematerialised Shareholders with own-name registration only.

For use in respect of the General Meeting to be held at 180 Katherine Street, Sandton, 2196 on Thursday, 14 February 2019 at 14:00.

Shareholders who have dematerialised their Shares with a Broker or Participant, other than with own-name registration, must arrange with the Broker or Participant concerned to provide them with the necessary letter of representation to attend the General Meeting or the Shareholders concerned must instruct their Broker or Participant as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the Broker or Participant concerned.

I/We (full names in BLOCK LETTERS please) _____

of (insert address) _____

Telephone (work): _____ Telephone (home): _____ Mobile: _____

Email address: _____

Being the holder(s) of _____ Ordinary shares

hereby appoint: _____

1. or failing him/her, _____

2. or failing him/her, _____

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

	Number of votes (one vote per share)		
	For	Against	Abstain
Ordinary Resolution 1: Specific Issue of Shares to the Foundation			
Special Resolution 1: Specific Repurchase			
Ordinary Resolution 2: Disposal of Properties			
Ordinary Resolution 3: Property Lease Agreements			
Special Resolution 2: Provision of Financial Assistance to Related and Inter-Related Parties			
Special Resolution 3: Provision of Financial Assistance for Subscription for Securities			
Special Resolution 4: Authority to Issue Shares in terms of Section 41(1) of the Companies Act			
Ordinary Resolution 4: General Authority to Directors			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable).

Each Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder) to attend, speak and on a poll, vote in place of that Shareholder at the General Meeting.

Signed at _____ on _____ 2019

Signature _____

Assisted by (where applicable) _____

Name _____ Capacity _____ Signature _____

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the General Meeting". The person whose name stands first on this form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

1. A member should insert an "X" in the relevant space according to how he/she wishes his/her votes to be cast. However, if a member wishes to cast a vote in respect of a lesser number of Barloworld Shares than he/she owns, he/she should insert the number of Barloworld Shares held in respect of which he/she wishes to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all the Shareholder's votes exercisable at the General Meeting. A member is not obliged to use all the votes exercisable by the member, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the member.
2. The completion and lodging of this form of proxy will not preclude the relevant member from attending the General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
3. The chairman of the General Meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
4. Shareholders who have dematerialised their Shares with a Broker or Participant, other than with own-name registration, must arrange with the Broker or Participant concerned to provide them with the necessary letter of representation to attend the General Meeting or the Shareholders concerned must instruct their Broker or Participant as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the Participant or Broker concerned. The completion and lodging of this form of proxy will not preclude the relevant member from attending the General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
5. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/signatories.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or waived by the chairman of the General Meeting.
7. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been recorded by the Company.
8. Where there are joint holders of Shares:
 - any one Shareholder may sign this form of proxy; and
 - the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the Company's register of members, will be accepted.
9. To be valid, the completed forms of proxy must either (a) be lodged so as to reach the Transfer Secretaries at their addresses as provided in the Corporate Information section of the Circular or by facsimile to 0866742450 or by email to Meetfax@linkmarketservices.co.za by no later than the Relevant Time; or (b) be lodged with the chairperson of the General Meeting prior to the General Meeting so as to reach him by no later than immediately prior to the commencement of voting on the resolutions to be tabled at the General Meeting.

SUMMARY OF THE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Companies Act.

1. At any time, a shareholder is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy to participate in and speak and vote at, a shareholders' meeting on behalf of the shareholder, or give or withhold written consent on behalf of such shareholder in relation to a decision contemplated in section 60 of the Companies Act.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
 - 3.1. a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2. a proxy may delegate his/her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3. a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1. such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2. the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3. the company must not require that the proxy appointment be made irrevocable; and
 - 9.4. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used unless revoked as contemplated in section 58(5) of the Companies Act.

