

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular have been used in this front cover page.

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

ACTION REQUIRED

Shareholders are referred to page 4 of this Circular, which sets out the detailed action required of them in respect of this Circular.

Basil Read does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the details of this Circular.

This Circular is issued in compliance with the Listings Requirements, for the purpose of providing information with regards to Basil Read.

The rights that are represented by the Form of Instruction in respect of the Letters of Allocation are valuable and may be sold on the JSE. Letters of Allocation can, however, only be traded in dematerialised form and accordingly, all Letters of Allocation have been issued in dematerialised form.

The Rights Offer Shares, upon their issue, will rank *pari passu* with all other Basil Read Ordinary Shares. There are no conversion or redemption provisions relating to the Rights Offer Shares.

The allocation of Rights Offer Shares will be such that only whole numbers of Rights Offer Shares will be issued and Ordinary Shareholders will be entitled to rounded numbers of Rights Offer Shares based on the conventional rounding principle (as set out in paragraph 3.4 of this Circular).

The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Shareholders. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The Rights Offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations. Any foreign Shareholder who is in doubt as to his position, including without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay. In this regard, the attention of foreign Shareholders is drawn to paragraph 9 of this Circular which sets out further details of the position of foreign Shareholders.

The Letters of Allocation, Forms of Instruction and the Rights Offer Shares have not been and will not be registered with any authority or under the securities laws in any jurisdiction other than South Africa. The making of the Rights Offer, the distribution of this Circular or any Form of Instruction or the Letters of Allocation and the transfer of Rights Offer Shares and/or Letters of Allocation to certain persons in territories other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a contravention of the laws of any such territory. Neither this Circular, nor any Form of Instruction nor Letters of Allocation, are to be regarded as an offer or invitation to any person in any jurisdiction other than South Africa to the extent that any applicable legal requirement in such jurisdiction has not been complied with or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction to such person. In those circumstances, this Circular and/or the Form of Instruction, if any, is sent for information purposes only. Any person taking up Rights Offer Shares, or selling and/or renouncing their entitlements under the Rights Offer makes the representations and warranties to the Company set out in paragraph 9.5 of this Circular.

Shareholders attention is drawn to the minimum subscription in paragraph 3.1 of this Circular read with the restrictions on Ordinary Shareholder commitments and support in paragraph 3.3 of this Circular, the Underwriting in paragraph 4 of this Circular, Annexure 5 to this Circular as well as the Milestones under the Debt Standstill Agreement in paragraph 13.1.2 of this Circular.

Shareholders attention is drawn to the amendments to the standard JSE corporate actions timetable as reflected in the Important Dates and Times on pages 2 and 3 of this Circular to allow for the manual allocation of Rights Offer Shares and Shareholders are advised to trade with care.



BASIL READ®

BASIL READ HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1984/007758/06)

Share code: BSR ISIN: ZAE000029781

("Basil Read" or "the Company")

CIRCULAR TO SHAREHOLDERS

Relating to:

a partially underwritten renounceable Rights Offer to Basil Read Ordinary Shareholders of a total of approximately 1 363 636 364 Rights Offer Shares at a Rights Offer Issue Price of R0.22 each, in the ratio of 1 035.45602 Rights Offer Shares for every 100 Basil Read Ordinary Shares held at 17:00 on Friday, 9 February 2018, which Rights Offer opens at 09:00 on Monday, 12 February 2018;

and enclosing:

a Form of Instruction for Ordinary Shareholders (for use by Certificated Shareholders only).

**Corporate Advisor and
Transaction Sponsor**



Legal Advisor to Basil Read



Underwriter



Date of issue: Monday, 5 February 2018

This Circular is only available in English. Copies of this Circular may be obtained at the registered offices of the Company at the address set out in the "Corporate Information" section of the Circular from Monday, 5 February 2018 to Friday, 23 February 2018 and is also available on the Company's website www.basilread.co.za from Monday, 5 February 2018.

CORPORATE INFORMATION

Company secretary

Andiswa Thandeka Ndoni
BProc, LLB, Global Executive Development
Programme
Basil Read Campus
7 Romeo Street
Hughes Extension
Boksburg
1459
(Private Bag x170, Bedfordview, 2008)

Transfer Secretaries

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

Corporate Advisor 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)

Registered Office of Basil Read

The Basil Campus, 7 Romeo Street
Hughes Extension
Boksburg
1459

Date and Place of Incorporation

1 August 1984, South Africa

Company website: www.basilread.co.za

Legal Advisor to Basil Read

Tugendhaft Wapnick Banchetti & Partners
20th Floor, Sandton City Office Tower
5th Street
Sandown
2196
(PO Box 786728, Sandton, 2146)

Underwriter to the Rights Offer

Industrial Development Corporation of
South Africa Limited
(Registration number 1940/014201/06)
19 Fredman Drive
Sandown
2196
(PO Box 784055, Sandton, 2146)

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IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this section.

2018

Declaration date announcement released on SENS on	Monday, 29 January
Rights Offer declaration announcement published in the press on	Tuesday, 30 January
Finalisation date announcement released on SENS by 11:00 on	Wednesday, 31 January
Circular available on Basil Read's website at www.basilread.co.za	Monday, 5 February
Last day to trade in Basil Read Ordinary Shares in order to participate in the Rights Offer	Tuesday, 6 February
Listing and trading of Letters of Allocation on the JSE under JSE code: BSRN and ISIN: ZAE000253886 commences at 09:00 on	Wednesday, 7 February
Basil Read Ordinary Shares commence trading on the JSE ex-Rights Offer entitlement at 09:00	Wednesday, 7 February
Rights Offer Circular and Form of Instruction distributed to Certificated Shareholders	Thursday, 8 February
Record Date for determination of Ordinary Shareholders entitled to participate in the Rights Offer at 17:00 on (Initial Record Date)	Friday, 9 February
Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their entitlement	Monday, 12 February
Certificated Shareholders on the Register will have their entitlement credited to their accounts held with the Transfer Secretaries	Monday, 12 February
Rights Offer opens at 09:00 on	Monday, 12 February
Rights Offer Circular distributed to those Dematerialised Shareholders who have elected to receive documents in hard copy	Tuesday, 13 February
Last day to trade Letters of Allocation on the JSE	Tuesday, 20 February
Rights Offer Shares listed and trading therein commences on the JSE	Thursday, 22 February ⁹
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by Certificated Shareholders by 12:00 p.m.	Friday, 23 February
Rights Offer closes at 12:00 p.m.	Friday, 23 February
Record Date for Letters of Allocation (Final Record Date)	Friday, 23 February
Results of Rights Offer and basis of allocation of excess Rights Offer Shares announced on SENS	Monday, 26 February
Results of Rights Offer and basis of allocation of excess Rights Offer Shares published in the press on	Tuesday, 27 February
Rights Offer Shares issued	Tuesday, 27 February ⁹
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of payment for Rights Offer Shares)	Tuesday, 27 February ⁹
Certificates distributed to Certificated Shareholders (in respect of the Rights Offer Shares)	Tuesday, 27 February ⁹

Rights Offer Shares in respect of successful excess applications (if applicable) issued on or about	Thursday, 1 March
CSDP or Broker accounts of Dematerialised Shareholders credited/debited and updated with Rights Offer Shares in respect of successful excess applications (if applicable)	Thursday, 1 March
Share certificates in respect of successful excess applications (if applicable) posted to Certificated Shareholders by registered post on or about	Thursday, 1 March
Refund payments made by EFT or cheques posted, as the case may be, to Certificated Shareholders in respect of unsuccessful excess application (if applicable) on or about	Thursday, 1 March

Notes:

1. All references to dates and times are to local dates and times in South Africa.
2. Dematerialised Shareholders are required to inform their CSDP or Broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and their CSDP or Broker.
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 7 February 2018 and Friday, 9 February 2018, both days inclusive.
4. Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their rights and Certificated Shareholders will have their rights credited to their accounts at the Transfer Secretaries.
5. CSDPs effect payment in respect of Dematerialised Shareholders on a *delivery-versus-payment* method.
6. Share certificates will be posted at the risk of the relevant Certificated Shareholders (or their renounees).
7. Refund payments will be made or transferred at the risk of the Certificated Shareholders (or their renounees).
8. Any changes to the dates and times will be announced on SENS.
9. These dates have been extended beyond the standard JSE corporate action timetable in order to cater for the manual allocation arising out of the limits placed on the commitments and underwriting as detailed in paragraph 3.3 of the Circular. **Shareholders should trade with care on Wednesday, 21 February 2018 as Rights Offer Shares will only be issued on Tuesday, 27 February 2018.**

ACTION REQUIRED BY ORDINARY SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular apply to this section.

1. DEMATERIALISED SHAREHOLDERS

If you hold Basil Read Ordinary Shares in dematerialised form (including where you have elected own-name registration) you will not receive a printed Form of Instruction.

Your CSDP or Broker will contact you to ascertain:

- whether you wish to follow all or some of your rights in terms of the Rights Offer and in respect of how many Rights Offer Shares;
- whether you wish your CSDP or Broker to endeavour to procure the sale of your rights on the JSE on your behalf and if so, in respect of how many rights;
- whether you wish to renounce your rights and if so, how many rights you wish to renounce and the details of the renouncee;
- if you take up your full allocation and you wish to apply for additional Rights Offer Shares, the number of additional Rights Offer Shares for which you wish to subscribe; or
- whether you wish for your rights in respect of the Rights Offer to lapse.

Your CSDP or Broker will credit your account with the number of rights to which you are entitled in terms of the Rights Offer.

If you do not hear from your CSDP or Broker, you should contact them and furnish them with your instructions. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the custody agreement entered into between you and them.

2. CERTIFICATED SHAREHOLDERS

A Form of Instruction is enclosed for use by Certificated Shareholders only. The rights in respect of such form are negotiable and can be sold on the JSE.

If you hold your Basil Read Ordinary Shares in certificated form and you wish to subscribe for some or all of the Rights Offer Shares allocated to you, you must complete the Form of Instruction enclosed herewith in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the Transfer Secretaries, whose details are set out on the inside front cover of this Circular, by no later than 12:00 p.m. on Friday, 23 February 2018.

If you do not wish to subscribe for all of the Rights Offer Shares allocated to you, you may sell or renounce your rights or allow them to lapse. In such event, you must complete the relevant section of the Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 p.m. on Tuesday, 20 February 2018, if you wish to sell, and by no later than 12:00 p.m. on Friday, 23 February 2018, if you renounce your rights. Further details of this are set out in paragraph 5.1.2 of this Circular.

If you take up your full allocation and you wish to apply for additional Rights Offer Shares, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and remit sufficient funds to cover your total application.

If you intend to allow your rights to lapse, you need not take any action.

3. IF YOU HAVE DISPOSED OF YOUR SHARES

If you have disposed of your Basil Read Ordinary Shares, please forward this Circular and Form of Instruction to the purchaser of such Basil Read Ordinary Shares or to the Broker or agent through whom the disposal was effected.

Note:

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

Basil Read does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the Rights Offer or any details relating thereto.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the Annexures hereto, unless a contrary intention is indicated, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*, and the expressions set out in the first column bear the meanings assigned to them in the second column

“Allocation principles”	means the principles by which the Board shall allocate Rights Offer Shares equitably to Shareholders and/or their renounees who have applied and paid for any Rights Offer Shares pursuant to an excess application;
“Aluwani”	Aluwani Capital Partners Proprietary Limited (registration number 2015/112266/07), a company with limited liability duly incorporated in accordance with the laws of South Africa, acting in its capacity as investment manager on behalf of SBSA ITF Momentum Income Plus Fund (MAMIPF-Unexcor Code XRK138);
“A” Ordinary Shares	ordinary shares of no par value in the stated capital of Basil Read currently consisting of 33 607 507 shares in the stated capital of Basil Read. The “A” Ordinary Shares are not listed. No amendment will be made to the rights attaching to the “A” Ordinary Shares as a result of the Rights Offer;
“Basil Read” or “Company”	Basil Read Holdings Limited (registration number 1984/007758/06), a limited liability public company duly incorporated and registered in accordance with the company laws of South Africa, of which the issued Basil Read Ordinary Shares are currently listed on the Main Board of the JSE;
“Basil Read Limited”	Basil Read Limited (registration number 1962/002313/06), a limited liability public company duly incorporated and registered in accordance with the company laws of South Africa and a wholly-owned subsidiary of Basil Read;
“Basil Read Ordinary Shares”	ordinary shares of no par value in the stated capital of Basil Read, currently consisting of 131 694 281 shares in the stated capital of Basil Read;
“Basil Read Ordinary Shareholders” or “Ordinary Shareholders”	all holders of Basil Read Ordinary Shares, including Certificated Shareholders and Dematerialised Shareholders;
“BEE”	Black Economic Empowerment;
“Board” or “Directors”	the board of directors of Basil Read, as set out on page 10 of this Circular;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Basil Read Ordinary Shares”	Basil Read Ordinary Shares which are evidenced by physical Documents of Title which have not yet been surrendered for Dematerialisation in terms of Strate;
“Certificated Shareholders”	holders of Certificated Basil Read Ordinary Shares;
“CGIC”	Credit Guarantee Insurance Company Limited (registration number CO8078435), a company duly incorporated in accordance with the laws of South Africa;

“CIPC”	Companies and Intellectual Property Commission, established in terms of the Companies Act;
“Circular”	all documents and Annexures bound herein, dated Monday, 5 February 2018;
“Committed and Supportive Shareholders”	certain Ordinary Shareholders who committed or provided letters of support to follow their rights equal to the amounts and subject to the restrictions listed in paragraph 3.3 of this Circular;
“Common Monetary Area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	Companies Act, No. 71 of 2008, as amended;
“CSDP”	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, Dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
“Debt Standstill Agreement”	the agreement entered into amongst Basil Read Limited, Basil Read, certain Group companies and the Standstill Creditors on Friday, 1 December 2017 as more fully described in paragraph 13.1.2 of this Circular;
“Dematerialisation”	the process whereby certificated shares are converted to an electronic form as uncertificated shares and recorded in the Sub-Register of shares maintained by a CSDP;
“Dematerialised Basil Read Ordinary Shares”	Basil Read Ordinary Shares which have been incorporated into the Strate system, title to which is no longer represented by physical Documents of Title;
“Dematerialised Shareholders”	holders of Dematerialised Basil Read Ordinary Shares;
“Documents of Title”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of Basil Read Ordinary Shares;
“EFT”	electronic funds transfer;
“Emigrant”	an emigrant from South Africa whose address is outside the Common Monetary Area;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, No. 9 of 1933, as amended;
“Excluded Territory”	subject to certain exceptions, the United States and any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain regulations as more fully described in paragraph 9.3 of this Circular;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended;
“Final Record Date”	the record date for determining the persons to whom the Rights Offer Shares will be issued, being Friday, 23 February 2018;
“Form of Instruction”	the form of instruction in respect of the allocation of rights reflecting the entitlement of Certificated Shareholders to subscribe for Rights Offer Shares and on which Certificated Shareholders should indicate whether they wish to take up, sell or renounce all or some of their rights or apply for additional Rights Offer Shares, which form is enclosed with this Circular;
“General Meeting Circular”	the circular to Shareholders, dated Thursday, 2 November 2017, including the annexures thereto, the Notice of the general meeting and the form of proxy in respect of the general meeting;
“Group”	Basil Read and its subsidiaries;

“IDC”	Industrial Development Corporation of South Africa Limited, a body corporate created under section 2 of the Industrial Development Act No. 22 of 1940;
“IDC Bridge Loan”	a total loan of R150 million comprising of a loan of R61 million provided by the IDC in terms of the loan agreement dated Tuesday, 5 September 2017 and drawn down on Thursday, 21 September 2017, a loan of R89 million approved by the IDC on Monday, 2 October 2017 and drawn down in two tranches on Thursday, 16 November 2017 and Monday, 4 December 2017 (please refer to the first two lines of Annexure 4 to this Circular for further details);
“Initial Record Date”	the record date for determination of Ordinary Shareholders entitled to participate in the Rights Offer, being Friday, 9 February 2018;
“Investec”	Investec Bank Limited (registration number 1969/004763), a bank duly incorporated and registered in accordance with the laws of South Africa;
“JSE”	the JSE Limited (registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	the last practicable date prior to finalisation of this Circular, being Friday, 19 January 2018;
“Legal Advisor to Basil Read” or “TWB”	Tugendhaft Wapnick Banchetti and Partners, a firm of Attorneys practising as a partnership under the laws of South Africa, the details of which firm are set out in the Corporate Information section of this Circular;
“Letters of Allocation”	renounceable nil paid letters of allocation to be issued to Ordinary Shareholders in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of Rights Offer Shares (subject to rounding applying the principles set out in paragraph 3.4 of this Circular) and which allocation rights are, in respect of holders of Certificated Basil Read Ordinary Shares, contained in the Form of Instruction;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“Lombard”	Lombard Insurance Company Limited (registration number 1990/001253/06), a company duly incorporated in accordance with the laws of South Africa;
“MOI”	Memorandum of Incorporation;
“Ordinary Shareholders”	holders of Basil Read Ordinary Shares, including Certificated Shareholders and Dematerialised Shareholders;
“Own-name Registration”	Dematerialised Shareholders who have instructed their CSDP to hold their Basil Read Ordinary Shares in their own name on the uncertificated securities registers of Basil Read;
“Rand” or “R”	the South African Rand, the lawful currency of South Africa;
“Register”	the Register of Certificated Shareholders maintained by the Transfer Secretaries, including the Sub-Register;
“Restricted Shareholder”	Ordinary Shareholders with registered addresses or who are resident or located in the United States or in any other Excluded Territory, on the Initial Record Date;
“Rights Offer”	the renounceable rights offer by Basil Read to Ordinary Shareholders to subscribe for approximately 1 363 636 364 Rights Offer Shares at an issue price of R0.22 per Rights Offer Share, in the ratio of 1 035.45602 for every 100 Basil Read Ordinary Shares held by them on the Initial Record Date;

“Rights Offer Issue Price”	the issue price of R0.22 per Rights Offer Share issued pursuant to the Rights Offer;
“Rights Offer Quantum”	an amount of R300 000 000.00 (excluding the Treasury Basil Read Ordinary Shares);
“Rights Offer Shares”	the Basil Read Ordinary Shares which are being offered pursuant to the Rights Offer (the aggregate number of which so offered pursuant to the Rights Offer are approximately 1 363 636 364 Basil Read Ordinary Shares);
“Securities Transfer Tax”	Securities Transfer Tax in terms of the Securities Transfer Tax Act, No. 25 of 2007;
“SENS”	the Stock Exchange News Service, being the news service operated by the JSE;
“Shareholders”	holders of shares in Basil Read comprising both the Basil Read Ordinary Shares and the “A” Ordinary Shares, whether held in certificated or dematerialised form and to be distinguished from “Ordinary Shareholders” which refers only to holders of Basil Read Ordinary Shares;
“SIOC”	SIOC CDT Investment Holdings (RF) Proprietary Limited (registration number 2011/010141/07) a private company duly registered and incorporated in accordance with the company laws of South Africa;
“SIOC 2012 Subscription Agreement”	the written subscription agreement concluded between Basil Read and SIOC on 27 June 2012 giving effect to a BEE transaction pursuant to which, <i>inter alia</i> , SIOC acquired its “A” Ordinary Shares (as amended by the first addendum, the second addendum and third addendum thereto);
“South Africa”	the Republic of South Africa;
“Specific Repurchase”	the repurchase of the 33 607 507 “A” Ordinary Shares from SIOC on the terms contemplated in the SIOC 2012 Subscription Agreement;
“Standard Chartered”	Standard Chartered Bank Limited (registration number 2003/020277/10), a bank duly incorporated in accordance with the laws of South Africa;
“Standstill Creditors”	Aluwani, CGIC, IDC, Investec, Lombard and Standard Chartered;
“Strate”	Strate Proprietary Ltd (registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository under the Financial Markets Act and which is responsible for the electronic settlement system on the JSE;
“Sub-Register”	the list of shareholders maintained by a CSDP and forming part of the Register;
“Subsidiaries”	has the meaning given to that term in the Companies Act;
“Tamela” or “Corporate Advisor and Transaction Sponsor”	Tamela Holdings Proprietary Limited (registration number 2008/011759/07), a limited liability private company duly incorporated in South Africa;
“Transfer Secretaries”	Link Market Services South Africa Proprietary Limited (registration number 2000/007239/07), a private company duly registered and incorporated in accordance with the company laws of South Africa, the details of which are set out in the Corporate Information section of this Circular;
“Treasury Basil Read Shares”	the Basil Read Ordinary Shares held by the trustees for the time being of the Basil Read Incentive Trust (Master’s reference number IT9247/98) being 8 382 Basil Read Ordinary Shares as at the Last Practicable Date);
“Underwriter”	IDC;

“Underwriting Agreement”	the underwriting agreement entered into between Basil Read and the IDC on Friday, 12 January 2018 and the addendum thereto entered into on Friday, 19 January 2018, in terms of which the IDC has agreed to underwrite the Underwritten Shares Value on the terms and conditions set out therein;
“Underwriting Fee”	the amount payable by Basil Read to the Underwriter for providing the underwriting commitment, being 3.5% of the Underwritten Shares Value;
“Underwritten Shares”	unsubscribed Rights Offer Shares that, subject to certain undertakings provided in the Underwriting Agreement, the IDC has agreed to subscribe for itself, subject to a maximum of 405 009 113 Rights Offer Shares, subject to the restrictions in note 4 of paragraph 3.3 of this Circular;
“Underwritten Shares Value”	the amount of R89.1 million, subject to the restrictions in note 4 of paragraph 3.3 of this Circular;
“VAT”	value added taxation, in terms of the Value Added Tax Act, No. 89 of 1991, as amended; and
“VWAP”	volume weighted average share price.



BASIL READ®
BASIL READ HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1984/007758/06)
Share code: BSR ISIN: ZAE000029781
("Basil Read" or "the Company")

Directors

Executive:

Khathutshelo Mapasa (*Chief Executive Officer*)

Non-executive:

Paul Cambo Baloyi (*Non-executive Chairman*)*

Darryll John Castle*

Doris Liana Theresia Dondur*

Mahomed Salim Ismail Gani*

Terence Desmond Hughes

Shammy Arewanga Luvhengo*

Dr Claudia Estelle Manning*

Andrew Conway Gaorekwe Molusi

Sango Siviwe Ntsaluba

Tshegofatso Benedict Sefolo*

Alexander Thabiso Tlelai

**Independent*

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

On Monday, 28 August 2017, Basil Read made an announcement to Shareholders advising them that the Company intends to raise gross proceeds of approximately R200 million to R 300 million through a Rights Offer in order to strengthen its balance sheet and provide the Company with a sustainable platform for its ongoing operations. Basil Read has subsequently resolved to target an amount of R300 million. This target gross proceeds excludes the potential R19 094.22 proceeds from the rights attached to the Treasury Basil Read Shares.

At a general meeting of Shareholders held on Monday, 4 December 2017, Shareholders approved the following resolutions in order to implement the Rights Offer:

- the increase of Basil Read's authorised stated capital from 300 000 000 Basil Read Ordinary Shares and 33 607 507 "A" Ordinary Shares to authorised stated capital of 6 000 000 000 Basil Read Ordinary Shares and 33 607 507 "A" Ordinary Shares by the creation of a further 5 700 000 000 Basil Read Ordinary Shares;
- the amendment of the MOI to take into account the increase in Basil Read's authorised stated capital; and
- the granting of authority to the Directors to issue such number of additional Basil Read Ordinary Shares of the authorised but unissued ordinary shares of Basil Read as may be required for the purpose of implementing the Rights Offer including the authorisation to issue additional Basil Read Ordinary Shares with voting power that may, upon issue, exceed 30% of the existing voting power of the Basil Read Ordinary Shares currently in issue.

The special resolutions relating to the increase in authorised stated capital and the amendment of the MOI were registered with the CIPC on Wednesday, 6 December 2017.

The purpose of this Circular is to provide Shareholders with the terms and conditions of the Rights Offer and information on participating in the Rights Offer.

2. PURPOSE OF THE RIGHTS OFFER

2.1 Overview

The Company is active in the areas of civil engineering, road construction, building, mixed-use integrated housing developments and contract mining services. The Company operates throughout sub-Saharan Africa. The Company's operations are classified into four divisions namely: construction, developments, mining and roads.

2.2 Rationale and purpose

As announced on SENS on Monday, 28 August 2017, Basil Read reported a net loss of R474.1 million for the six months ended 30 June 2017 compared to a profit of R73.5 million for the six months ended 30 June 2016, mainly attributed to the provisions on contracts within the roads division and write down of goodwill as a result of a decline in earnings of that division, claims recoveries being significantly below expectations, cost overruns (including penalties from delays) on certain of the Company's distressed projects, as well as realising bad debts. In terms of Basil Read's accounting policy, where contracts are expected to post a loss on completion, a provision is created for the full loss in the period determined. Consequently, a number of provisions for loss-making contracts were created during the first half of the financial year ended 31 December 2017.

More importantly, a few legacy cash-depleting projects over the past years negatively impacted the cash reserves of the Company, resulting in cash flow being constricted and Basil Read being unable to meet future cash requirements without recapitalisation.

The Directors recognise that funding is critical and, the board of Basil Read resolved to recapitalise the balance sheet to position Basil Read for the current environment. The first phase of the recapitalisation involved seeking a bridge facility from the IDC of R150 million. The first tranche of R61 million of the R150 million bridge funding from the IDC was approved on 14 August 2017 and drawn down on 21 September 2017, the second tranche of R89 million was approved on 2 October 2017 (with R46 million being drawn down on 16 November 2017 and the remaining R43 million being drawn down on 4 December 2017) to meet existing commitments. The IDC Bridge Loan and the Debt Standstill Agreement (as detailed in paragraph 13.1 below) provide the Group with the necessary breathing room and stability to focus on operations. Long-term funding is required to recapitalise the Group and provide it with the necessary platform and working capital to carry out its operations efficiently (without any cash flow limitations), while implementing its strategic objectives.

The second phase of the recapitalisation is this Rights Offer targeting a capital raise of R300 million.

In addition to recapitalising the balance sheet of Basil Read, the Group is undergoing a strategic repositioning, including *inter alia* the following:

- rightsizing overheads for each division;
- corporate overhead restructure including reducing head-office rent;
- fixing and closing distressed contracts;
- renewed focus on resolving claims timeously;
- investing in and growing the higher margin businesses in the civils, developments and mining divisions to enable the Company to generate more operating cash flow; and
- selling certain non-core assets to allow Basil Read to reduce balance sheet risk and generate free cash. The disposals are anticipated to be made in the 2018 financial year.

Basil Read recognises that it is crucial to raise the necessary funds as mentioned above. Strategic re-alignment and the removal of the liquidity constraint should have a significant positive impact on the Group, including *inter alia*:

- allowing the Group to focus on higher margin and more profitable projects;
- enhancing operational and financial efficiency across the Group with improved net margins;
- reducing borrowing costs over the longer term;
- securing guarantees at more favourable rates;
- settling overdue creditors and maintaining the relationships necessary to carry out the profitable projects into the future;
- early payments resulting in material settlement discounts;
- avoiding penalties by timeous payment of contractors resulting in projects being completed on time; and
- managing maintenance programs of capital equipment rather than spending significant amounts on emergency capital expenditure.

A cash improved and strategically repositioned business should result in improved profitability going forward.

2.3 Intended use of the proceeds of the Rights Offer

The proceeds of the Rights Offer will provide the necessary long-term funding to recapitalise the Group in order to repay the IDC Bridge Loan and address the objectives described above.

In order to implement the strategies above, increase available working capital facilities and repay the R150 million IDC Bridge Loan, the Company seeks to raise the Rights Offer Quantum through the Rights Offer. The gross proceeds of the Rights Offer, together with other restructuring plans announced by the Company, will strengthen the balance sheet and provide the Company with a sustainable platform for its ongoing operations.

3. PARTICULARS OF THE RIGHTS OFFER

3.1 Terms of the Rights Offer

Basil Read is seeking to raise the Rights Offer Quantum through an offer of the Rights Offer Shares.

In terms of the Rights Offer:

- Ordinary Shareholders will be offered 1 035.45602 Rights Offer Shares for every 100 Basil Read Ordinary Shares held by them on the Initial Record Date;
- the Rights Offer Issue Price will be R0.22 per Rights Offer Share;
- the effect of the undertakings in paragraph 3.3 below and the underwriting commitment referred to in paragraph 4 below is that the Rights Offer is partially underwritten and committed to the value of R255 million subject to the maximum post Rights Offer shareholding restrictions outlined in paragraph 3.3 below and the impact of such restrictions as reflected in Annexure 5 to this Circular. The potential result of these restrictions is that the effective committed and supported and underwritten amount is R168 million if none of the other Ordinary Shareholders follow their rights and no excess applications are made. The Rights Offer is conditional on receiving a minimum aggregate subscription amount of R168 million (as contemplated in paragraph 3.6 below) which addresses this worst-case scenario. In addition, as detailed in paragraph 13.1.2 below dealing with the Debt Standstill Agreement, the Company has agreed a Milestone with the Standstill Creditors to raise a minimum of R300 million by way of the Rights Offer by 31 March 2018. Failure to raise the R300 million could result in a default under the Debt Standstill Agreement. Unless such Milestone is relaxed or waived by the Standstill Creditors, it may result in the termination of the Debt Standstill Agreement and the Standstill Creditors demanding immediate repayment of the outstanding debt owed to them by the Group; and
- excess applications will be allowed as detailed in paragraph 3.5 below.

3.2 Rights Offer Issue Price

The Rights Offer Issue Price of R0.22 per Rights Offer Share represents a 63% discount to the closing price of Basil Read Ordinary Shares on the JSE on Friday, 19 January 2018.

3.3 Ordinary Shareholder commitments and support

As at the Last Practicable Date, the following Ordinary Shareholders have undertaken to follow their rights in terms of the Rights Offer as set out below:

Name of Ordinary Shareholder	Number of Basil Read Ordinary Shares held before the Rights Offer	Number of Rights Offer Shares in the ratio of 1 035.45602 for every 100 Basil Read Ordinary Shares held	Letters of allocation to be followed	Percentage of total Rights Offer Shares
Allan Gray Proprietary Limited	31 356 373 ¹	324 681 452	324 681 452	23.8
PSG Asset Management Proprietary Limited	11 983 213 ²	124 080 900	124 080 900	9.1
Prudential Investment Managers (South Africa) Proprietary Limited	11 704 576 ³	121 195 737	121 195 737	8.9
IDC	9 090 909 ⁴	94 132 365	94 132 365	6.9
SIOC	7 883 243	81 627 514	81 627 514	6.0
Ashburton Fund Managers Proprietary Limited (in its capacity as a discretionary FSP of the Ashburton Dynamic Equity Hedge Fund)	942 363	9 757 754	9 757 754	0.7
Total	72 960 677	755 475 722	755 475 722	55.4

- Allan Gray Proprietary Limited is the appointed discretionary investment manager of clients who are beneficial and/or registered holders of Basil Read Ordinary Shares. Allan Gray Proprietary Limited is not the beneficial owner of the shares and has irrevocably undertaken to procure that its clients follow their rights. This commitment is subject to the continuing mandates of its clients in their current form and in the absence of any instructions from its clients to the contrary. Allan Gray Proprietary Limited has limited its commitment such that its clients' rights need not be followed by the clients to the extent (and only to such extent) that the exercise thereof would result in Allan Gray Proprietary Limited's clients' aggregate holding of the issued shares in the capital of Basil Read exceeding 25% thereof.
- PSG Asset Management Proprietary Limited is the registered beneficial owner (or alternatively has the mandate to control the voting rights) of the Basil Read Ordinary Shares. PSG Asset Management Proprietary Limited is in support and will exercise its rights in respect of the Basil Read Ordinary Shares.
- Prudential Investment Managers (South Africa) Proprietary Limited is the appointed discretionary investment manager of clients who are beneficial and/or registered holders of Basil Read Ordinary Shares. Prudential Investment Managers (South Africa) Proprietary Limited is not the beneficial owner of the shares and has irrevocably undertaken to recommend to its clients to follow their rights. This commitment is subject to the continuing mandates of its clients in their current form and in the absence of any instructions from its clients to the contrary. Prudential Investment Managers (South Africa) Proprietary Limited has limited its clients' commitment to follow their rights to the effect that the maximum aggregate holding by its clients will not exceed 10% of the total number of issued Basil Read Ordinary Shares post the Rights Offer.
- The IDC's total holding in terms of following its rights, 8 400 263 Basil Read Ordinary Shares which the IDC holds as security pre-Rights Offer, as well as the Underwritten Shares is limited to 33% of the total number of Basil Read Ordinary Shares post the Rights Offer.

Shareholders are referred to Annexure 5 to this Circular regarding the impact of the interaction of the above restrictions on the commitments by the Committed and Supportive Shareholders as well as on the underwriting commitment by the Underwriter.

The Committed and Supportive Shareholders will be paid a commitment fee equal to 0.5% of the Rand value of the Rights Offer Shares for which they subscribe, payable to them once they have exercised their rights in respect of such shares and subscribed for such shares and the Rights Offer has closed. In the opinion of the Board, this commitment fee is not greater than the current market rate payable for commitment fees and the reasonableness of the commitment fee has been proved to the JSE.

3.4 Entitlement

Ordinary Shareholders will receive the right to subscribe for 1 035.45602 Rights Offer Shares for every 100 Basil Read Ordinary Share held on the Initial Record Date (being Friday, 9 February 2018).

Ordinary Shareholders who do not hold a multiple of 100 Basil Read Ordinary Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with Annexure 2.

The allocation of Rights Offer Shares will be such that Ordinary Shareholders will not be allocated a fraction of a Rights Offer Share and as such any entitlement to receive a fraction of a Rights Offer Share which:

- is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; and
- is equal to or greater than one-half of a Rights Offer Share but less than a whole Rights Offer Share, will be rounded up to the nearest whole number.

Certificated Shareholders will have their rights credited to their accounts held with the Transfer Secretaries on their behalf. The enclosed Form of Instruction reflects the number of Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedure to be followed by Certificated Shareholders for the acceptance, sale or renunciation of their rights is reflected on the Form of Instruction.

The Letters of Allocation to which the Form of Instruction relates are negotiable and can be traded on the JSE.

Dematerialised Shareholders will have their rights to subscribe for Rights Offer Shares credited in electronic form to their account held by their appointed CSDP or Broker. The CSDP or Broker will advise Dematerialised Shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such rights.

3.5 Excess applications

All Rights Offer Shares not taken up pursuant to the terms of the Rights Offer will be available for allocation to Ordinary Shareholders who wish to apply for a greater number of Rights Offer Shares than those offered to them in terms of the Rights Offer. Accordingly, Ordinary Shareholders may also apply for additional Rights Offer Shares in excess of the Rights Offer Shares allocated to that Ordinary Shareholder in terms of the Rights Offer on the same terms and conditions as those applicable to the Rights. The right to apply for additional Rights Offer Shares is transferable on renunciation.

Certificated Shareholders wishing to apply for excess Rights Offer Shares should complete the enclosed Form of Instruction in accordance with the instructions contained therein and return it to the Transfer Secretaries at the addresses set out under paragraph 3.2 of the Form of Instruction so as to be received by the Transfer Secretaries by no later than 12:00 p.m. on Friday, 23 February 2018.

Dematerialised Shareholders wishing to apply for excess Rights Offer Shares should instruct their CSDP or Broker, in terms of the custody agreement entered into between themselves and their CSDP or Broker, as to the number of excess Rights Offer Shares for which they wish to apply.

An announcement will be released on SENS on or about Monday, 26 February 2018 stating the results of the Rights Offer and the basis of allocation of any additional Rights Offer Shares for which application is made.

The pool of Rights Offer Shares available to meet excess applications will be dealt with as set out below:

- if all the Rights Offer Shares are taken up in the Rights Offer, then no additional Rights Offer Shares will be made available for allocation to applicants;
- if not all of the Rights Offer Shares are taken up in the Rights Offer, the pool of the excess Rights Offer Shares will be allocated equitably, taking cognisance of the number of Basil Read Ordinary Shares held by each applicant just prior to such allocation, being the Final Record Date, including those taken up as a result of the Rights Offer and the number of excess applications applied for by such applicant. Rights Offer Shares in respect of excess applications will be issued on Thursday, 1 March 2018; and
- the Board shall allocate Rights Offer Shares to Ordinary Shareholders who have applied and paid for any Rights Offer Shares pursuant to an excess application in an equitable manner unless such allocation would: (i) result in fractional shares, in which case such allocation shall be rounded to the nearest multiple of one Rights Offer Share (unless the application of the Ratio of Entitlement results in a fractional share of less than 0.5, in which case such allocation will be rounded down to zero); (ii) result in a violation of applicable law or the rules or regulations of a South African governmental authority or the Listings Requirements; or (iii) constitute a breach of the fiduciary duties of the Board (such allocation principles, the "Allocation Principles").

Non-equitable allocations of excess Rights Offer Shares will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 shares.

Any Rights Offer Shares not allocated first to holders of Rights exercising their Rights and then second to persons who have submitted excess applications in accordance with the criteria and the Allocation Principles set forth above shall be allocated to the Underwriter subject to the terms and conditions of the Underwriting Agreement and in a number not exceeding the Underwritten Shares.

Refunding of moneys by EFT or cheques in respect of unsuccessful applications for additional Rights Offer Shares by Certificated Shareholders will be made or posted to the relevant applicants, at their risk, on or about Thursday, 1 March 2018. No interest will be paid on moneys received in respect of unsuccessful applications.

3.6 Minimum subscription

The Rights Offer is conditional on receiving a minimum aggregate subscription amount of R168 million.

The minimum subscription will be allocated as follows:

Purpose	Amount R'000
Preliminary expenses, commitment fee, underwriting commission as detailed in paragraph 18 below	10 950
Repayment of the IDC Bridge Loan as detailed in paragraph 2.2 above (unless the IDC relax or waive the terms and conditions for the repayment of the IDC Bridge Loan)	150 000
Payment of overdue creditors	7 094
Total	168 044

Alternatively, the amounts above may be paid out of the following sources, but the quantum to be raised from these sources and the timing thereof are not certain:

- Disposal of non-core assets;
- Resolution of claims; and
- Free cash flow from operations.

Basil Read is looking to raise the additional R132 million in order to repay the balance of overdue creditors, fund additional working capital requirements and fund the growth opportunities of the business.

4. UNDERWRITING

The Rights Offer is partially underwritten by the Underwriter up to a maximum of 405 009 113 Rights Offer Shares subject to the restriction stated in note 4 of paragraph 3.3 above.

The Underwritten Shares will be subscribed for at the subscription price of R0.22 per Basil Read Ordinary Share, which is the same price as the subscription price applicable to the Rights Offer, and will be listed and admitted to trading on the JSE prior to such subscription. No Underwritten Shares will be issued until such shares are fully paid up. In terms of the Underwriting Agreement, an underwriting fee equal to 3.5% of the Underwritten Shares Value (excluding VAT, if any) is payable by the Company to the Underwriter. In the opinion of the Board, this is not greater than the current market rate payable to independent underwriters and the reasonableness of the underwriting commission has been proved to the JSE. The Underwriting Agreement provides that this fee will not be paid to the Underwriter until the underwriting commitments of the Underwriter have been met.

The Board has made due and careful enquiry to confirm that the Underwriter can meet its underwriting commitments in terms of the Underwriting Agreement and has received sworn affidavits from the Underwriter's directors confirming that it has the financial resources to meet its commitments in terms of the underwriting.

The Underwriting Agreement will become irrevocable not later than 16h30 on the day prior to the finalisation date of Wednesday, 31 January 2018.

Details of the IDC, in its capacity as Underwriter to the Rights Offer are set out in Annexure 3 to this Circular.

5. PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF RIGHTS

5.1 Certificated Basil Read Ordinary Shares

5.1.1 **Acceptance**

Full details of the procedure for acceptance of the Rights Offer by Certificated Shareholders are contained in the Form of Instruction enclosed with this Circular. It should be noted that:

- acceptances are irrevocable and may not be withdrawn;
- acceptances may be made only by means of the enclosed Form of Instruction;
- any instruction to sell or renounce all or part of the rights may only be made by means of the Form of Instruction;
- Certificated Shareholders (or their renounees) who wish to apply for excess shares should follow the instructions in this regard contained on the Form of Instruction;
- the properly completed Form of Instruction together with proof of (i) EFT payment or cash deposit or (ii) banker's draft (in the case of foreign Shareholders) in Rand in payment of the aggregate Rights Offer Issue Price payable for the relevant Rights Offer Shares must be received by the Transfer Secretaries by no later than 12:00 p.m. on Friday, 23 February 2018.
- Certificated Shareholders (and their renounees) are advised to take into consideration postal delivery times when posting their Form of Instruction, as no postal deliveries will be accepted after 12:00 p.m. on Friday, 23 February 2018. Certificated Shareholders are advised to deliver their completed Form of Instruction together with proof of payment to the Transfer Secretaries by hand or by courier, where possible;
- the Form of Instruction to take up the rights in question will be regarded as complete only when proof of EFT payment, cash deposit or banker's draft (in the case of foreign Shareholders) has been cleared for payment. Certificated Shareholders (and their renounees) are advised to take into consideration bank deposit and/or transfer clearance times in order to ensure that their payment is properly reflected in the bank account contemplated in paragraph 5.1.4 below by 12:00 p.m. on Friday, 23 February 2018;
- **the relevant shareholder account number set out in the Form of Instruction must be used as the identifying reference number for such payment;**
- such payment will constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and in the Form of Instruction once the EFT payment, cash deposit or banker's draft (in the case of foreign Shareholders) has been cleared for payment;

- the Transfer Secretaries should be contacted on +27 (0)86 147 2644 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details for the purposes of making EFT payments or cash deposits;
- neither Basil Read nor the Transfer Secretaries will identify or allocate any EFT payments or cash deposits or other payment received into the relevant banking account unless such transfer or other payment is clearly referenced with the reference number being **the relevant shareholder account number set out in the Form of Instruction which must be used as the identifying reference number for such payment;** and
- if the Transfer Secretaries do not receive a properly completed Form of Instruction from a Certificated Shareholder (the Transfer Secretaries shall be entitled to determine in their sole and absolute discretion whether such Form of Instruction has been completed fully and properly), together with proof of payment of the subscription price by 12:00 p.m. on Friday, 23 February 2018, as set out above, the Rights Offer will be deemed to have been declined and the right to subscribe for the Rights Offer Shares in terms of the Form of Instruction will lapse regardless of who holds it.

5.1.2 **Renunciation or sale of rights**

Basil Read has issued all Letters of Allocation in dematerialised form and the electronic record for Certificated Basil Read Ordinary Shares is being maintained by the Transfer Secretaries. This has made it possible for Certificated Shareholders to enjoy the same rights and opportunities as Dematerialised Shareholders.

Certificated Shareholders not wishing to subscribe for all or some of the Rights Offer Shares allocated to them as reflected in the Form of Instruction, may sell or renounce all or some of their rights or allow them to lapse.

Certificated Shareholders who wish to sell all or some of the Rights Offer Shares allocated to them as reflected in the Form of Instruction, must complete the relevant section of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 p.m. on Tuesday, 20 February 2018.

The Transfer Secretaries will endeavour to procure the sale of the rights on the JSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither the Transfer Secretaries nor the Company nor any Broker appointed by it will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such rights. References in this paragraph to a Certificated Shareholder include references to the person or persons executing the Form of Instruction and any person or persons on whose behalf such person or persons executing the Form of Instruction is/are acting. In the event of more than one person executing the Form of Instruction, the provisions of this paragraph shall apply to them, jointly and severally.

Certificated Shareholders who do not wish to sell all or some of the rights to the Rights Offer Shares allocated to them as reflected in the Form of Instruction, and who do not wish to subscribe for Rights Offer Shares offered in terms of the Form of Instruction, but who wish to renounce their rights in favour of any named renounee, must complete the relevant section of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein to be received by no later than 12:00 p.m. on Friday, 23 February 2018.

Certificated Shareholders who wish to subscribe for only a portion of the Rights Offer Shares allocated to them must indicate the number of Rights Offer Shares for which they wish to subscribe on the Form of Instruction.

If by 12:00 p.m. on Friday, 23 February 2018, Certificated Shareholders do nothing in response to this Rights Offer, their rights will lapse.

5.1.3 **Payment**

The amount due on acceptance of the Rights Offer is payable in Rand.

5.1.4 **Payment Terms**

A duly completed Form of Instruction, together with proof of payment, must be lodged by Certificated Shareholders and/or their renounees by no later than 12:00 p.m. on Friday, 23 February 2018 in accordance with the instructions contained in the Form of Instruction and clearly marked "**Basil Read – Rights Offer**":

by hand to:

Link Market Services South Africa Proprietary Limited
13th Floor
19 Ameshoff Street
Braamfontein

or sent by post, at the risk of the Ordinary Shareholder concerned to:

Link Market Services South Africa Proprietary Limited
PO Box 4844
Johannesburg
2000

Forms of Instruction which are not posted must be faxed to +27 (0)86 674 3330 or emailed to corpactfax@linkmarketservices.co.za. The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed election forms or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the Shareholder's responsibility to ensure that their Form of Instruction is received by the Transfer Secretaries.

Payment of the total subscription price payable in respect of the Rights Offer Shares applied for must be received by no later than 12:00 p.m. on Friday, 23 February 2018. This payment can be made by way of:

- EFT;
- cash deposit; or
- banker's draft (in the case of foreign Shareholders).

The Transfer Secretaries should be contacted on +27 (0)86 147 2644 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details for the purposes of making EFT payments or cash deposits. **The relevant shareholder account number set out in the Form of Instruction must be used as the identifying reference number for such payment.**

Neither Basil Read nor the Transfer Secretaries will identify or allocate any EFT payments or cash deposits or other payment received into the relevant banking account unless such transfer or other payment is clearly referenced with the reference number being **the relevant shareholder account number set out in the Form of Instruction which must be used as the identifying reference number for such payment.**

The above is in respect of the subscription for Rights Offer Shares only and is not for selling of rights to Rights Offer Shares.

In the case of a foreign Shareholder, payment for the Rights Offer Shares subscribed for must be made in full by way of a banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable" in favour of "Basil Read Rights Offer") for the amounts payable in Rand and lodged together with this duly completed Form of Instruction with the Transfer Secretaries.

All bankers' drafts received (in the case of foreign Shareholders) by the Transfer Secretaries will be deposited immediately for payment. In the event that any banker's draft (in the case of foreign Shareholders) is dishonoured, Basil Read, in its sole discretion and without prejudice to any rights that the Company may have, may treat the relevant acceptance as void or may tender delivery of the relevant Rights Offer Shares to which it relates against payment in cash of the aggregate Rights Offer Issue Price for such Rights Offer Shares.

Please note that should the payment of the subscription price not be received by 12:00 p.m. on Friday, 23 February 2018, Basil Read may, in its sole discretion, and without prejudice to any rights that Basil Read may have (including those in the preceding paragraph), regard the Form of Instruction as null and void or take such steps in regard thereto as Basil Read deems fit. Should Basil Read regard the Form of Instruction as null and void, the Form of Instruction will be treated as invalid, the Rights Offer will be deemed to have been declined and the right to subscribe for the Rights Offer Shares in terms of the Form of Instruction will lapse regardless of who holds it.

Money received in respect of an application which is rejected or otherwise treated as void by Basil Read, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of an EFT in Rand to the applicant concerned on or about Thursday, 1 March 2018. If Basil Read is not able to affect the refund by EFT for any reason whatsoever, then a cheque for the relevant refund will be posted to the relevant applicants, at their risk, on or about Thursday, 1 March 2018. If such cheque is not deposited for payment by the relevant applicant, the relevant refund will be held in a manner determined by Basil Read until collected by the applicant. No interest in respect of such refund will be paid by Basil Read.

5.1.5 ***Basil Read Ordinary Share certificates***

Certificates in respect of Rights Offer Shares will be distributed by registered post by the Transfer Secretaries, at the risk of the Certificated Shareholders concerned, on or about Tuesday, 27 February 2018. As Basil Read uses the certified transfer deeds and other temporary Documents of Title procedure approved by the JSE, only “block” certificates will be issued in respect of Rights Offer Shares.

5.1.6 ***Transaction costs***

Certificated Shareholders wishing to sell all or some of their rights will be liable to pay a cost of R154.48 (all inclusive of VAT) for trades of less than or equal to R40 000 and R154.48 plus 0.35% of the value of trades (all inclusive of VAT) for amounts equal to or greater than R40 000.

5.2 **Dematerialised Basil Read Ordinary Shares**

5.2.1 ***Acceptance, renunciation or sale of rights***

The CSDP or Broker appointed by Dematerialised Shareholders is obliged to contact such Shareholders to ascertain:

- whether such Dematerialised Shareholders wish to follow their rights in terms of the Rights Offer or renounce their rights and in respect of how many Rights Offer Shares; or
- if such Dematerialised Shareholders do not wish to follow all or any of their rights, whether they wish to sell their rights and how many of their rights they wish to sell.

If you are not contacted by your CSDP or Broker, you should contact your CSDP or Broker and furnish them with your instruction. Should a CSDP or Broker not obtain instructions from a Dematerialised Shareholder, they are obliged to act in terms of the mandate granted to them by such Dematerialised Shareholder.

5.2.2 ***Payment***

Your CSDP or Broker will affect payment directly on your behalf, in Rand, on Tuesday, 27 February 2018 on a delivery-versus-payment basis. Dematerialised Shareholders must ensure that they have sufficient funds in their CSDP or Broker account to settle the aggregate subscription price payable in respect of the Rights Offer Shares for which they wish to subscribe.

5.2.3 ***Rights Offer Shares***

Dematerialised Shareholders will have their accounts credited with the Rights Offer Shares subscribed for in terms of the Rights Offer, on Tuesday, 27 February 2018.

6. **STATEMENT AS TO LISTING ON STOCK EXCHANGE**

The JSE has granted listings for the Letters of Allocation and the Rights Offer Shares as follows:

- Letters of Allocation in respect of 1 363 636 364 Rights Offer Shares will be listed from the commencement of business on Wednesday, 7 February 2018 to the close of business on Tuesday, 20 February 2018, both days inclusive, under the JSE code: BSRN and ISIN: ZAE000253886; and
- the Rights Offer Shares to be allotted and issued on Tuesday, 27 February 2018 pursuant to the Rights Offer will be listed from the commencement of business on Thursday, 22 February 2018.

7. **SOUTH AFRICAN LAW**

All transactions arising from the provisions of this Circular and the Form of Instruction shall be governed by and be subject to the laws of South Africa.

8. **EXCHANGE CONTROL REGULATIONS**

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. Shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

The Rights Offer Shares to be issued pursuant to the Rights Offer are not freely transferable from South Africa and must be dealt with in terms of South African Exchange Control Regulations.

Shareholders who are not resident in the Common Monetary Area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their rights in terms of the Rights Offer.

8.1 **Non-residents of the Common Monetary Area**

In terms of the Exchange Control Regulations, non-residents, excluding former residents, of the Common Monetary Area will be allowed to:

- take up rights allocated to them in terms of the Rights Offer;
- purchase rights on the JSE;
- subscribe for Rights Offer Shares in terms of the Rights Offer;
- subscribe for additional Rights Offer Shares,

provided payment is in foreign currency or in Rand from a non-resident Rand account.

All applications by non-residents for the above purposes must be made through a South African authorised dealer in foreign exchange.

Share certificates issued pursuant to the application must be endorsed "non-resident".

Any documents of title issued to non-residents of the Common Monetary Area will be endorsed "non-resident". In the event that Letters of Allocation and/or Rights Offer Shares are held by a non-resident of the Common Monetary Area through Strate, the securities account maintained for such non-resident by the relevant CSDP will be designated as a non-resident account.

It will be incumbent on any such non-resident to instruct its nominated agent or authorised dealer as to how any funds due to such non-resident in respect of Letters of Allocation and/or Rights Offer Shares are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the Rights Offer Shares are acquired with foreign currency introduced into South Africa or Rand from a non-resident Rand account and provided that the relevant documents of title have been endorsed "non-resident" or the relevant securities account has been designated as a non-resident account, as the case may be.

8.2 **Former residents of the Common Monetary Area**

Where a right in terms of the Rights Offer falls due to an Emigrant, which right is based on Basil Read Ordinary Shares controlled in terms of the Exchange Control Regulations, then only funds in the Emigrant's capital account may be used to:

- take up rights allocated to such Emigrant in terms of the Rights Offer;
- purchase rights on the JSE;

- subscribe for Rights Offer Shares in terms of the Rights Offer;
- subscribe for additional Rights Offer Shares.

Applications by Emigrants using funds in their capital account for the above purposes must be made through the South African authorised dealer controlling their remaining assets. Basil Read Ordinary Share certificates issued pursuant to using funds from the emigrant capital account must be endorsed “non-resident” and placed under the control of the authorised dealer through whom the payment was made.

Where rights are sold on the JSE on behalf of Emigrants, which rights are based on Basil Read Ordinary Shares controlled in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to the emigrant capital accounts of the Ordinary Shareholders concerned.

Non-resident and Emigrant Dematerialised Basil Read Ordinary Shares will have all aspects relating to Exchange Control managed by their CSDP or Broker.

9. FOREIGN SHAREHOLDERS

9.1 Introduction

Foreign Shareholders may be affected by the Rights Offer, having regard to prevailing laws in their relevant jurisdictions. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of each foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange or other consents or the making of any filing which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The Rights Offer is governed by the laws of South Africa and is subject to applicable laws and regulations, including the Exchange Control Regulations.

The Letters of Allocation, Forms of Instruction and the Rights Offer Shares have not been and will not be registered with any authority in any jurisdiction other than South Africa. The making of the Rights Offer, the distribution of this Circular or any Form of Instruction or the Letters of Allocation and the transfer of Rights Offer Shares and/or Letters of Allocation to certain persons in territories other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a contravention of the laws of any such territory. Neither this Circular, nor any Form of Instruction nor Letters of Allocation, are to be regarded as an offer or invitation to any person in any jurisdiction other than South Africa to the extent that any applicable legal requirement in such jurisdiction has not been complied with or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction to such person. In those circumstances, this Circular and/or the Form of Instruction, if any, is sent for information purposes only.

Subject to certain exceptions, neither this Circular nor any Form of Instruction should be distributed, forwarded to or transmitted in or into or from the United States or any other jurisdiction where to do so might constitute a violation of local securities laws or regulations (“**Excluded Territories**”).

The Letters of Allocation and the Rights Offer Shares will also not be registered under the securities laws of any Excluded Territories and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption, if any. In particular this Circular, the accompanying Form of Instruction and any other such documents should not be distributed, forwarded to or transmitted in or into the United States or the other Excluded Territories.

Any person taking up Rights Offer Shares, or selling and/or renouncing their entitlements under the Rights Offer makes the representations and warranties to the Company set out in paragraph 9.5 of this Circular.

9.2 Affected foreign Shareholders

Any Ordinary Shareholder who is in doubt as to his position with respect to the Rights Offer in any jurisdiction, including, without limitation, his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Foreign Shareholders are reminded that they may dispose of their Basil Read Ordinary Shares on or prior to the last day to trade, in which case they will not participate in the Rights Offer.

Foreign Shareholders accordingly must take their own advice on whether they are entitled, after the Rights Offer, to continue to beneficially hold any Basil Read Ordinary Shares issued to them and take the appropriate action in accordance with that advice.

9.3 **Note to U.S. Shareholders and other Restricted Shareholders**

The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and other securities laws of the United States.

There will be no public offer of the Letters of Allocation and the Rights Offer Shares in the United States. Neither the U.S. Securities and Exchange Commission ("SEC") under the U.S. Securities Act nor any U.S. federal or state securities commission has registered, approved or disapproved the Rights Offer Shares or passed comment or opinion upon the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the U.S.

Ordinary Shareholders who are citizens or residents of the U.S. are advised that the Rights Offer Shares have not been and will not be registered under the U.S. Securities Exchange Act of 1934, as amended.

Accordingly, the Company is not extending the Rights Offer into the United States unless an exemption from the registration requirements of the U.S. Securities Act is available and this Circular does not constitute nor will it constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any Letters of Allocation or Rights Offer Shares in the United States. This Circular will not be sent to any Shareholder in, or with a registered address in, the United States.

Rights Offer Shares will be provisionally allotted to all Ordinary Shareholders on the register at the Initial Record Date, including restricted shareholders referred to below. However, the accompanying Form of Instruction (where applicable) will not be sent to Ordinary Shareholders with registered addresses or who are resident or located in the United States or in any other Excluded Territory on the Initial Record Date (referred to herein as Restricted Shareholders) and Letters of Allocation will not be credited to the securities account of the CSDP or Broker of Ordinary Shareholders who are Restricted Shareholders, except where the Company is satisfied that such action would not result in contravention of any registration or other legal requirement in any jurisdiction. Restricted Shareholders (subject to such exceptions) will be treated as Ordinary Shareholders whose Letters of Allocation have lapsed.

Any person who acquires Letters of Allocation or the Rights Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Circular, exercising their allocation rights or accepting delivery of the Letters of Allocation or the Rights Offer Shares that it is not, and that at the time of acquiring the Letters of Allocation or the Rights Offer Shares it will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States or any state of the United States.

Any person in the United States who obtains a copy of this Circular, any Form of Instruction or Letters of Allocation is required to disregard them.

9.4 **Sale of rights**

It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights Offer Shares under the Rights Offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Subject to the restrictions in respect of Restricted Shareholders set out below, if a premium can be obtained over the expenses of the sale, the Transfer Secretaries will endeavour to sell, on the JSE, the rights of Ordinary Shareholders in the jurisdictions in which it is illegal to make an offer for the benefit of such Shareholders, in accordance with this section. Any premium over the expenses of the sale of the rights of Ordinary Shareholders in these jurisdictions (including applicable taxes, brokerage

fees and commissions) shall be remitted to such Shareholders. However, Letters of Allocation will not be credited to the securities account of the CSDP or Broker of Ordinary Shareholders who are Restricted Shareholders, except where the Company is satisfied that such action would not result in contravention of any registration or other legal requirement in any jurisdiction. Restricted Shareholders (subject to such exceptions) will be treated as Ordinary Shareholders whose Letters of Allocation have lapsed and will not be sold by the Transfer Secretaries as described above.

None of Basil Read, the Transfer Secretaries or any Broker appointed by them or Basil Read, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising out of, the timing of such sales or the remittance of the net proceeds of such sales.

9.5 Representations and warranties

Any person selling or renouncing all or part of their Letters of Allocation or exercising all or part of their allocation rights represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's use of the Letters of Allocation or the Rights Offer Shares, as the case may be, will not result in the contravention of any applicable legal requirement in any jurisdiction:

- such person is not selling or renouncing their Letters of Allocation or exercising their allocation rights from within the United States or the other Excluded Territories;
- such person is not in any jurisdiction in which it is unlawful to make or accept an offer to subscribe for Rights Offer Shares;
- such person is not accepting or renouncing for the account of a person located within the United States; and
- such person is not acquiring Rights Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Offer Shares into the United States or the other Excluded Territories.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Offer Shares comprised in the Form of Instruction or renunciation or purported renunciation of allocation rights if it: (i) appears to the Company to have been executed in or dispatched from the United States or the other Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement; (ii) provides an address in the United States or the other Excluded Territories for delivery of share certificates evidencing Rights Offer Shares (or any jurisdiction outside South Africa in which it would be unlawful to deliver such certificates); or (iii) purports to exclude the warranty required by this paragraph.

The Company further reserves the right to reject any market instruction sent from outside South Africa or to credit the account of any person who is acting on a non-discretionary basis for the account or benefit of a person located outside South Africa with Rights Offer Shares, if the Company believes that it would result in a violation of any applicable legal or regulatory requirements in any jurisdiction.

10. TAX CONSEQUENCES OF THE RIGHTS OFFER

Securities Transfer Tax will not be levied on the Rights Offer Shares issued in terms of the Rights Offer.

Shareholders are advised to consult their professional advisors regarding the tax consequences of the Rights Offer.

11. JURISDICTION AND RESTRICTIONS

The distribution of this Circular and/or accompanying documents and/or the transfer of the Rights Offer Shares and/or the rights to subscribe for Rights Offer Shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction in which it is illegal to make such a Rights Offer. In such circumstances, this Circular and the Form of Instruction are sent for information purposes only.

12. NATURE OF BUSINESS AND PROSPECTS OF THE COMPANY

12.1 Nature of Business of Basil Read

Basil Read is active in the areas of civil engineering, road construction, building, mixed-use integrated housing developments and contract mining services. The Company operates throughout sub-Saharan Africa.

The Company's operations are classified into four divisions: construction, developments, mining and roads. At the start of the financial year ended 31 December 2017, the Company's flagship St Helena airport project was consolidated into the construction division due to the project nearing completion with airport certification having been achieved in 2016. Phase 2 of the St Helena project is to operate and manage the airport. This is for a period of nine years at a fixed fee.

The segmental statement as extracted from the published interim results as at and for the six months ended 30 June 2017 (which reflects St Helena as a reportable segment) is as follows:

	Construction R'000	Developments R'000	Mining R'000	Roads R'000	St Helena R'000	Total R'000
Performance measures						
Total segment revenue	769 703	66 344	837 734	472 041	154 085	2 299 907
Intersegment revenue	–	–	(1 106)	(22 056)	–	(23 162)
External revenue	769 703	66 344	836 628	449 985	154 085	2 276 745
Operating profit/(loss)	(181 111)	26 027	21 708	(284 271)	(41 134)	(458 781)
Measures of financial position						
Total segment assets	946 984	338 718	1 354 166	221 707	546 619	3 408 194
Total segment liabilities	1 065 795	53 714	737 530	238 991	671 497	2 767 527
Order book	2 463 185	997 944	4 638 766	1 925 901	642 471	10 688 267

12.2 Transactions

There have been no Category 2 transactions which have not been disclosed in a circular.

12.3 Prospects

The Board of Basil Read is of the view that the business of the Basil Read Group has attractive growth prospects over the medium to long-term. The Company is well placed to take advantage of new opportunities that have already been identified in integrated mixed-use developments, mining infrastructure and services, and select transport, power and water infrastructure, provided the Rights Offer succeeds.

Basil Read's focus going forward will be primarily in repositioning the Company for the current and future market. This entails continued investment in divisions and projects that have traditionally been profitable at high margins, as well as closing out the distressed projects, reducing the overhead costs and improving liquidity. The Company will seek to minimise the impact of cyclical volatility through selective tendering of projects that meet minimum margin thresholds and risk criteria and to focus the business development efforts on the selected markets. At 30 June 2017, despite challenging market conditions, Basil Read's order book was R10.7 billion, reflecting good balance between the construction (29%), roads (18%), developments (9%) and mining division (44%). The margins in the order book are good and should allow the Company to significantly improve its profitability.

Rightsizing of overheads: Given the clear decline in tender activity, maintaining the positive margins is a key focus and Basil Read will look to ensure that the Company's overheads costs are directly related to operating work. The early scaling adjustment of the overheads to match the work Basil Read does is critical to avoid a reduction in the operating margin. As such, Basil Read has commenced a number of initiatives to right-size the overheads accordingly.

Improved project execution: Basil Read executive management has increased its focus in project execution and monitoring. This will enable improvement in operating performance, by focussing on strengthening on-site project teams, improving project delivery and productivity, driving efficiencies and seeking higher-margin projects in the private sector and outside South Africa. The Company will seek to sell non-core and non-productive assets.

Development of a strong corporate culture: A new set of corporate values have been agreed and implemented in the business. These values are aligned with Basil Read's strategy and allows the Company to harness the collective and disciplined efforts of a representative Basil Read team in building a significantly better and more valuable business.

Leadership: The Company has embarked on a process of making changes to the executive, project management and board leadership in order to deliver on the medium to long-term strategy of the Group. The following appointments have been made subsequent to 31 December 2016 up to the Last Practicable Date:

Khathutshelo Mapasa	Chief Executive Officer and Executive Director	23 October 2017
Darryll John Castle	Independent Non-executive Director	20 December 2017
Shammy Arewanga Luvhengo	Independent Non-executive Director	20 December 2017
Tshefogatso Benedict Sefolo	Independent Non-executive Director	20 December 2017
Pieter van Buuren	Chief Financial Officer	1 January 2018

13. ADDITIONAL INFORMATION

13.1 Material borrowings of the Group

13.1.1 **Material borrowings**

The material borrowings of the Group are disclosed in Annexure 4 to this Circular in order to provide Shareholders with an update on the current debt status of the Group.

13.1.2 **Debt Standstill Agreement**

As announced on SENS on 5 December 2017, in order to provide the Group with the opportunity to implement the Rights Offer and the corporate reorganisation (more fully described in paragraph 2.2 above), Basil Read Limited, the Company and certain other Group companies have executed the Debt Standstill Agreement with the Standstill Creditors.

The Standstill Creditors have, *inter alia*, agreed to refrain from taking any action to:

- declare that any outstanding amount under any relevant financing documents ("Relevant Financing Documents") are immediately due;
- demand specific enforcement of any obligations under any Relevant Financing Documents;
- take any steps to enforce any remedies or to enforce or perfect any security interests created in favour of, or for the benefit of, any Standstill Creditor;
- commence any legal proceedings or other formal procedure or step in relation to the suspension of payments, winding-up, dissolution, business rescue, administration or reorganisation of Basil Read Group Companies;
- exercise any right of netting or set-off in relation to any of the Relevant Financing Documents;
- claim payment of any indemnity payments in terms of the Relevant Financing Documents; or
- terminate or cancel, or give notice to terminate or cancel, any Relevant Financing Documents or cancel any undrawn or unused amounts under any Relevant Financing Documents ("Enforcement Action"),

against Basil Read Limited and certain Group companies during the standstill period, being a period of 18 months from the date of signature of the Debt Standstill Agreement, being 1 December 2017 to 31 May 2019 ("Standstill Period").

The short-term liquidity position of the Company has been strengthened following the successful execution of the Debt Standstill Agreement.

The Debt Standstill Agreement affects certain of the existing material contracts as disclosed in paragraph 11.3 of the General Meeting Circular.

The Debt Standstill Agreement became unconditional upon execution, as all the conditions precedent were met prior to the signature date.

The amounts relating to each of the Standstill Creditors are listed in the table below:

No.	Name	Capital lender	Guarantees provided
1.	Aluwani	ZAR 50 000 000	
2.	CGIC		ZAR 372 098 783
3.	IDC	ZAR 290 000 000	
4.	Investec	ZAR 20 000 000	
5.	Lombard		ZAR 464 000 000
6.	Standard Chartered	BWP 23 000 000	ZAR 217 958 860

Basil Read Limited is required to obtain the prior written consent of not less than 66.67% ("Super Majority") of the Standstill Creditors for the following matters:

- Disposal of major assets, being cumulative assets over R50 million, not identified in the Debt Standstill Agreement;
- Payment of bonuses to senior executives in the Group;
- Material changes in the nature of business or new business in the Group;
- Convene any meeting to commence the winding-up, dissolution, business rescue, administration or reorganisation of the Group; or
- Creation of new security over any assets of the Group unless contemplated in the Debt Standstill Agreement.

The Debt Standstill Agreement does not restrict the ability of the Group to settle the Standstill Creditors in full, at any time.

Basil Read Limited shall procure that the following milestones ("Milestones") are achieved:

1. The implementation of the Rights Offer in which an amount of not less than R300 million is raised, on or before 31 March 2018, or such date that the Super Majority of Standstill Creditors agree to;
2. In respect of the memorandum prepared by Basil Read regarding the proposed corporate reorganisation of the Group, the achievement of particular elements of such corporate reorganisation on or before each date specified in the memorandum for the achievement of each such element; and
3. On or before 28 February 2018, Basil Read Limited shall incorporate an insolvency remote special purpose vehicle ("Security SPV"). The Security SPV shall constitute the vehicle through which additional security will be afforded to the Standstill Creditors, utilising standard guarantee/counter indemnity mechanisms. The Group shall, as part of the counter-indemnity mechanisms mentioned above, obtain one or more special notarial bonds and/or covering mortgage bonds, as the case may be, to be registered over construction equipment and other identified assets.

If the Milestones are not achieved by the dates specified above, the Standstill Creditors may call a meeting and, by Super Majority, cancel the Debt Standstill Agreement. Similarly, a Super Majority of Standstill Creditors can cancel the Debt Standstill Agreement if the Group breaches any of the warranties and obligations under the Debt Standstill Agreement and does not remedy such breach. Any cancellation or failure to relax the terms of the Debt Standstill Agreement would have a material adverse impact on the Group. If any potential asset disposals or other mechanisms to fund the Group were to be unsuccessful, insufficient or delayed, Basil Read may cease to be a going concern and be unable to repay its debts, which may lead to business rescue or liquidation.

The Debt Standstill Agreement contains undertakings, representations and warranties normal in an agreement of this nature.

13.1.3 **Repurchase and withdrawal of BSR17 Notes**

As announced on SENS on Thursday, 7 December 2017, in accordance with the terms and conditions of the Basil Read Limited Domestic Medium-term Note Programme (“DMTN Programme”) dated 17 November 2008, there was a full capital withdrawal of the BSR17 notes effective Thursday, 7 December 2017.

Capital withdrawal amount	Amount outstanding after capital withdrawal
ZAR 50 000 000.00	ZAR 0.00

The withdrawal of the listed and dematerialised BSR17 notes is due to Basil Read Limited repurchasing the BSR17 notes from Aluwani (and, as consideration therefor, issuing new unlisted certificated notes (BSR18 notes) in the same capital amount under the DMTN Programme to Aluwani on substantially the same terms as the BSR17 notes other than being unlisted and certificated) and the subsequent cancellation of the BSR17 notes.

The BSR17 notes were, and their replacement, the BSR18 notes, are secured by a guarantee from Basil Read as contemplated and embedded in the DMTN Programme.

13.2 **Voluntary rebuilding programme**

The government of South Africa, the Construction Industry Development Board and seven listed construction companies including Basil Read, entered into a settlement agreement on or about 13 October 2016 and announced on SENS by Basil Read on 11 October 2016. Under this agreement:

13.2.1 The seven listed construction companies together undertook to pay reparations of R1.5 billion over 12 years, to a fund to be established for the development and enhancement of the construction industry and, in particular, the transformation objectives of the government in the construction industry.

13.2.2 Basil Read’s portion of this reparation contribution is R120 million over a 12-year period of which:

- (i) R2 million is payable in each of 2016, 2017 and 2018 (and in respect of which, as at the Last Practicable Date R4 million has been paid);
- (ii) R8 million is payable in each of 2019 and 2020;
- (iii) R10 million is payable in 2021;
- (iv) R14 million is payable in each of 2022, 2023, 2024 and 2025; and
- (v) R16 million is payable in each of 2026 and 2027.

13.2.3 In addition, each construction company undertook to either:

- (i) launch development initiatives with the aim of identifying, developing and mentoring up to two, in the case of Basil Read, emerging contractors (which are more than 51% managed and controlled by previously disadvantaged persons) to ensure that such selected emerging contractors will have the necessary skills and quantity of work required to generate a cumulative combined annual turnover equal to at least 25% of the South African civil engineering and general building annual construction works turnover of the relevant construction company within seven years. Aligned to this obligation, are fixed interim period transformation targets on each construction company as well as penalties calculated in accordance with a formula, for a failure to meet such targets; or
- (ii) to dispose of not less than a 40% economic interest in their South African civil engineering and general building construction business, to an enterprise that is more than 51% black owned, managed and controlled, in which case it is released from (i) immediately above.

13.2.4 There was a limitation of liability in that the aggregate liability of a construction company arising from (i) its contribution payments referred to in paragraph 13.2.2 above plus (ii) any potential penalties in paragraph 13.2.3(i) above will not exceed 29% of the construction company's market capitalisation as at a stipulated date, which is 10 October 2016 in the case of Basil Read.

Basil Read resolved to pursue an equity transaction through a disposal contemplated in paragraph 13.2.3(ii) and notified the Presidential Infrastructure Co-ordinating Commission ("PICC") of this election. Under the terms of the settlement agreement, this disposal should have been implemented by on or about 16 October 2017 or such longer period as may be agreed in writing between Basil Read and the PICC. On 29 August 2017, the Company requested PICC to extend this period to after the implementation of the Rights Offer and it is still awaiting a response.

13.3 BEE

The Company currently has a BEE shareholding of approximately 33%. This shareholding was largely conferred through SIOC's 25.1% shareholding (being 5.99% of the issued Basil Read Ordinary Shares and the voting rights of all of the "A" Ordinary Shares in terms of the SIOC 2012 Subscription Agreement) and NMT Capital (Pty) Limited which conferred 8.43%.

In the General Meeting Circular, Shareholders were given details of the SIOC 2012 Subscription Agreement and were requested to ratify an amendment thereto as well as approve the Specific Repurchase which they did at the general meeting of Shareholders held on 4 December 2017.

The effect of the approved amendment (contained in the third addendum to the SIOC 2012 Subscription Agreement) was that the termination date of such agreement was moved from 16 November 2017 to the later of:

- the 10th Business Day after the closing date of this Rights Offer; and
- the 10th Business Day after the date on which Basil Read is able to and has fulfilled all of the requirements under section 48 of the Companies Act (as read with sections 114 and 115 thereof), and has fulfilled the requirements of all applicable laws and regulations, including the Listings Requirements in relation thereto.

In terms of the BEE transaction made with SIOC in 2012, two Business Days after the termination date referred to above, Basil Read is required to repurchase from SIOC (at R0.01 per "A" Ordinary Share) so many of the "A" Ordinary Shares held by SIOC calculated in terms of the formula set out in the SIOC 2012 Subscription Agreement and explained in the General Meeting Circular.

Based on current calculations, all of the 33 607 507 "A" Ordinary Shares will be repurchased at an aggregate cost to Basil Read of R336 075.07 two Business Days after the termination date. This is unlikely to change before the termination date. However, as explained in the General Meeting Circular, any "A" Ordinary Shares not so repurchased will convert into Basil Read Ordinary Shares.

While SIOC has committed to follow its rights in respect of its Basil Read Ordinary Shares (as detailed in paragraph 3.3 above), the result of the Specific Repurchase, once implemented, will be that SIOC's total percentage shareholding in Basil Read will reduce by 33 607 507 "A" Ordinary Shares.

Post the Rights Offer and the Specific Repurchase, the BEE shareholding is expected to be significantly diluted to approximately 7%.

Given that BEE is an imperative in the construction sector, Basil Read has also elected (in terms of the voluntary rebuilding programme, as described in paragraph 13.2 above) to pursue an equity transaction through a disposal which will result in Basil Read being 40% owned by an enterprise that is more than 51% black owned, managed and controlled.

In the medium-term, following the Rights Offer and after the restoration of the Company to sustainable profitability, Basil Read remains committed to increasing its BEE shareholding and fulfilling its obligations in terms of the voluntary rebuilding programme.

14. DETAILS OF DIRECTORS

14.1 The Directors' details (i.e. business address and function) are set out below:

Full Name	Age	Capacity	Business Address
Khathutshelo Mapasa	40	Chief Executive Officer	7 Romeo Str Hughes Ext Boksburg 1459
Paul Cambo Baloyi	61	Independent non-executive chairman	94 Carlswald Estate Walton Road Midrand
Darryll John Castle	48	Independent non-executive director	61 Santa Monica Boulevard Centurion Gold & Residential Estate Highveld, Extension 7 0162
Doris Liana Theresia Dondur	50	Independent non-executive director	3 Olive Lane Morningside 2196
Mahomed Salim Ismail Gani	64	Independent non-executive director	309 Marble Str Laudium, Centurion
Terence Desmond Hughes	68	Non-executive director	4 Pembroke Place Linden Place Strathavon
Shammy Arewanga Luvhengo	43	Independent non-executive director	Universal Coal PLC 467 Fehrsen Street Brooklyn Pretoria 0182
Dr Claudia Estelle Manning	50	Independent non-executive director	6 Crescent Drive Westcliff
Andrew Conway Gaorekwe Molusi	55	Non-executive director	SIOC Community Development Trust Riverfalls Office Park Tamboti Building 1st Floor 272 Rose Ave Doringkloof
Sango Siviwe Ntsaluba	56	Non-executive director	NMT Capital, Building 4, Parc Nicol Office Park 3001 William Nicol Drive 2191
Tshegofatso Benedict Sefolo	39	Independent non-executive director	386 Main Road Bryanston 2191
Alexander Thabiso Tlelai	53	Non-executive director	The Don Hotel 6 Electron Avenue Isando

Notes:

1. All the Directors are South African citizens.
2. None of the Director are partners with unlimited liability.

14.2 Directors of major subsidiaries

Subsidiary name	Registration number	Shareholding	Nature of business	Date of incorporation	List of directors and designation
Basil Read Limited	1962/002313/06	100%	Holding Company	26 June 1962	Khathutshelo Mapasa – Executive Director Claudia Estelle Manning – Non Executive Director Paul Cambo Baloyi – Non-Executive Director, Chairman
Basil Read Mining SA (Pty) Ltd	1990/005815/07	100%	Mining	27 September 1990	Stephen John Marx – Executive Director Daniel Stopforth – Executive Director Lenny Govender – Executive Director Khathutshelo Mapasa – Executive Director, Chairman Anton Cilliers – Executive Director Robert Moseme – Executive Director
Basil Read Mining Namibia (Pty) Ltd	1246	100%	Mining	17 October 1958	Daniel Stopforth – Executive Director Stephen John Marx – Executive Director Khathutshelo Mapasa – Executive Director, Chairman
Basil Read Mining Botswana (Pty) Ltd	2349	100%	Mining	28 January 2009	Abdool Kahim Khan – Executive Director Daniel Stopforth – Executive Director Stephen Marx – Executive Director Khathutshelo Mapasa – Non-Executive Director, Chairman
Basil Read Mauritius (Pty) Ltd	C21566/4892	100%	Construction	20 August 2009	Nousrath Begum Bhugeloo – Director Marie Cindhia Veronique Magny-Antonie – Director Gilles Marie Thierry Adolphe – Director Sachidananda Govinda – Director Khathutshelo Mapasa – Executive Director Olivier Jean-Paul Giot – Executive Director
Basil Read Roads (Pty) Ltd	2003/030681/07	100%	Roads	3 December 2003	Bruce Seeton Morton – Executive Director, Chairman

14.3 Directors' remunerations and emoluments

There will be no variation in the remuneration payable to Directors as a consequence of the Rights Offer.

14.4 Directors' interest in Basil Read Shares

The direct and indirect beneficial interests of the Directors (and their associates) in the issued stated capital of Basil Read as at 31 December 2016 is set out in the table below:

	Beneficial		Total	%
	Direct	Indirect		
Executive directors				
Neville Francis Nicolau*	100 000	–	100 000	0.08
Non-executive directors				
Terence Desmond Hughes	7 294	–	7 294	0.01
Andrew Conway Gaorekwe Molusi **	–	–	–	–
Sango Siviwe Ntsaluba ***	6 986	2 776 939	2 783 925	2.11
Alexander Thabiso Tlelai ***	–	2 774 953	2 774 953	2.11
Total	114 280	5 551 892	5 666 172	4.22

* Resigned 31 May 2017.

** Director of SIOC (All the 33 607 507 "A" Ordinary Shares are also held by SIOC). SIOC has committed to following its rights in terms of paragraph 3.3 above.

*** Indirect holdings are held as director of NMT Capital (Pty) Ltd. NMT Capital (Pty) Limited has not committed to following its rights.

Dealings in Basil Read Ordinary Shares for the period beginning 31 December 2016 and ending on the Last Practicable Date by the Basil Read Directors, including Directors who have resigned during the 18 months prior to the Last Practicable Date, are as follows:

Director	Date	Transaction type	Volume	Price
Neville Francis Nicolau	25 August 2017	Sale	100 000	R0.80

The following current directors of Basil Read have confirmed that they will follow their rights pursuant to the Rights Offer in respect of their existing direct ordinary shareholdings:

- Terence Desmond Hughes; and
- Sango Siviwe Ntsaluba.

15. STATED CAPITAL

Provided below is information relating to the authorised and issued stated capital of the Company.

15.1 As at the Last Practicable Date

	Number of Basil Read Ordinary Shares with no par value	"A" Ordinary Shares with no par value
Before the Rights Offer		
Authorised shares	6 000 000 000	33 607 507
Issued shares	131 694 281	33 607 507
Treasury Shares	8 382	–
Stated capital net of treasury shares	131 685 899	33 607 507
Stated capital (R'000)	1 047 689	336

The trustees for the time being of the Basil Read Incentive Trust (Master's reference number IT9247/98) hold all of the Treasury Basil Read Shares being 8 382 Basil Read Ordinary Shares as at the Last Practicable Date. These shares were acquired by such trust for the purpose of a share incentive scheme in respect of which no further options are outstanding, nor do the trustees intend to issue any further share incentive options or shares thereunder. As such, the holder of the Treasury Basil Read Shares does not intend to follow its rights in respect of the Rights Offer.

15.2 After the Rights Offer

The table below shows the authorised and issued stated capital of the Company after the Rights Offer, based on the assumption that all Rights Offer Shares have been issued in terms of the Rights Offer.

After the Rights Offer	Number of Basil Read Ordinary Shares with no par value	“A” Ordinary Shares with no par value
Authorised shares	6 000 000 000	33 607 507
Issued shares	1 495 330 645	33 607 507
Treasury Shares	8 382*	–
Stated capital net of treasury shares	1 495 322 263	33 607 507
Stated capital (R'000)	1 347 689	336

**It is intended to sell the Letter of Allocation related to the Treasury Shares as the Basil Read Incentive Trust will not be following their rights in this regard as a result of such incentive scheme being dormant.*

15.3 After the Rights Offer and the Specific Repurchase

The table below shows the authorised and issued stated capital of the Company after the Rights Offer, based on the assumption that all Rights Offer Shares have been issued in terms of the Rights Offer and on the assumption that the Specific Repurchase, referred to in paragraph 13.3 above, has been implemented.

After the Rights Offer and the Specific Repurchase	Number of Basil Read Ordinary Shares with no par value	Number of “A” Ordinary Shares with no par value
Authorised shares	6 000 000 000	33 607 507
Issued shares	1 495 330 645	–
Treasury Shares	8 382	–
Stated capital net of treasury shares	1 495 322 263	–
Stated capital (R'000)	1 347 689	–

16. PRICE AND VOLUME HISTORY OF BASIL READ ORDINARY SHARES ON THE JSE

The Share price and volume history of Basil Read Ordinary Shares:

- in the 12 months preceding the date of issue of the Circular; and
- in the 30 days preceding the Last Practicable Date,

are set out in Annexure 1.

17. LITIGATION STATEMENT

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the Company is aware, which may have or have over the previous 12 months had a material effect on the financial position of the Basil Read Group, other than:

SunEdison Green Power Southern Africa (Pty) Ltd (“SunEdison”) entered into a sub-contract agreement with Engala (Pty) Ltd (“Engala”), a 50/50 joint venture between Matomo (Pty) Ltd (which is a wholly-owned subsidiary of Basil Read) and Isolux Ingeniera, SA to construct a photovoltaic plant at Boshoff in the Free State. In terms of the subcontract agreement, Engala procured a performance bond as security for an amount not exceeding R35 299 941.90 with Lombard Insurance Company Limited (“Lombard”). On the 7th March 2016, SunEdison made a demand on the bond for alleged breach by Engala of its obligations in terms of the contract, demanding payment for an amount of no less than R35 299 941.90. Engala

successfully brought an interdict application against Lombard and SunEdison and the court directed that no payment be made under the performance until the outcome of arbitration. Following an unsuccessful attempt to appeal the judgement, SunEdison petitioned the Supreme Court of Appeal (“SCA”) to grant it leave to appeal. In May 2017 SunEdison was placed in voluntary liquidation. The provisional liquidators applied to the High Court to authorise them to continue with the appeal pending before the SCA but not with the arbitration. This application was successfully opposed by Engala in July 2017. The matter has now been postponed indefinitely. Matomo (Pty) Ltd potential exposure is to the extent of 50% of the claim by SunEdison.

18. EXPENSES OF THE RIGHTS OFFER

The following expenses and provisions are expected or have been provided for by the Group in connection with the Rights Offer and will be settled out of the proceeds of the Rights Offer. All costs are stated exclusive of VAT:

Description	Payable to	Estimated amount (excluding VAT) R'000
JSE documentation	JSE	25
JSE listing fee	JSE	146
Printing and publication	INCE	200
Transfer Secretaries	Link Services	100
Corporate Advisor	Tamela Holdings Proprietary Limited	5 400
Transaction Sponsor	Tamela Holdings Proprietary Limited	500
Legal fees	TWB	600
Commitment fee	Allan Gray Proprietary Limited	357
	PSG Asset Management Proprietary Limited	136
	Prudential Investment Managers (South Africa) Proprietary Limited	133
	IDC	104
	SIOC	90
	Ashburton Fund Managers Proprietary Limited (in its capacity as discretionary FSP of the Ashburton Dynamic Equity Hedge Fund)	11
Underwriting fee	IDC	3 119
Miscellaneous		29
Estimated costs		10 950

19. CONSENTS

The Corporate Advisor, Transaction Sponsor, Transfer Secretaries, Underwriter, Committed and Supportive Shareholders and the Legal Advisor to Basil Read have consented in writing, and have not withdrawn their consent, to their names being included in the Circular in the form and context in which they are included.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 10 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted that would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

21. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of Basil Read, from the Monday, 5 February 2018 up to and including Friday, 23 February 2018:

- the MOI of Basil Read and its material subsidiaries;
- all material contracts including the Debt Standstill Agreement;
- copies of service agreements (or a summary of such agreements) with directors, managers or secretaries, Underwriter, vendors and promoters entered into during the last three years;
- the audited financial statements of Basil Read for three years ended 31 December 2016;
- the unaudited interim results of Basil Read for the six months ended 30 June 2017;
- the undertakings of Ordinary Shareholders referred to in in paragraph 3.3 above;
- this Circular, signed by or on behalf of the Directors; and
- the letters of consent referred to in paragraph 19 above.

For and on behalf of:

Basil Read Holdings Limited

Khathutshelo Mapasa

Chief Executive Officer

Johannesburg
5 February 2018

Registered office

7 Romeo Street
Hughes Extension
Boksburg, 1459
South Africa
(Private Bag x170, Bedfordview, 2008)

PRICE AND VOLUME HISTORY OF BASIL READ ORDINARY SHARES ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly 2017					
January	225	198	220	1 894 151	4 031 592
February	255	190	201	2 708 248	5 978 577
March	230	185	200	2 516 594	5 092 884
April	220	186	214	770 649	1 545 633
May	212	150	157	999 118	1 779 689
June	157	80	83	1 759 696	1 922 429
July	100	72	80	2 144 069	1 751 618
August	93	70	79	2 412 849	1 960 630
September	80	63	75	983 967	743 654
October	80	67	79	1 174 603	869 521
November	85	65	68	1 466 856	1 042 875
December	76	65	65	343 335	235 946
Daily 2017					
6 December			74	–	–
7 December	74	65	65	83 889	57 165
8 December	74	65	65	–	–
11 December	74	64	64	8 457	6 212
12 December	64	41	51	76 000	38 432
13 December	70	52	70	137 901	88 937
14 December	70	70	70	1 900	1 330
15 December	67	55	66	22 869	12 989
18 December	68	66	68	1 475	993
19 December	69	66	69	109 386	73 946
20 December	69	68	68	16 068	11 081
21 December	68	51	60	55 798	33 775
22 December	60	60	60	25 451	15 271
27 December			60	–	–
28 December	60	55	55	35 104	19 432
29 December	60	60	60	25 302	15 181
2018					
2 January	68	58	68	40 748	25 696
3 January	68	62	68	12 124	8 205
4 January	68	68	68	1 250	850
5 January	67	58	67	5 860	3 888
8 January	67	67	67	1 000	670
9 January	64	55	59	9 090	5 345
10 January	59	55	59	8 057	4 498
11 January	59	55	55	10 000	5 572
12 January	68	57	68	4 206	2 837
15 January	70	68	70	62 350	42 700
16 January	70	55	70	29 958	18 371
17 January	70	55	70	2 254	1 578
18 January			70	–	–
19 January	59	56	59	3 000	1 710

Source: INET

TABLE OF ENTITLEMENT

No fractions of Rights Offer Shares will be issued to Ordinary Shareholders and the Rights Offer Shares will be issued based on the rounding principle (up or down, as the case may be). The table of entitlement of Ordinary Shareholders to receive Rights Offer Shares is set out below.

Number of existing Ordinary Shares	Number of Rights Offer Shares to which an Ordinary Shareholder is entitled	Rounded number of Rights Offer Shares to which an Ordinary Shareholder is entitled	Number of existing Ordinary Shares	Number of Rights Offer Shares to which an Ordinary Shareholder is entitled	Rounded number of Rights Offer Shares to which an Ordinary Shareholder is entitled
1	10,35456	10	53	548,79169	549
2	20,70912	21	54	559,14625	559
3	31,06368	31	55	569,50081	570
4	41,41824	41	56	579,85537	580
5	51,77280	52	57	590,20993	590
6	62,12736	62	58	600,56449	601
7	72,48192	72	59	610,91905	611
8	82,83648	83	60	621,27361	621
9	93,19104	93	61	631,62817	632
10	103,54560	104	62	641,98273	642
11	113,90016	114	63	652,33729	652
12	124,25472	124	64	662,69185	663
13	134,60928	135	65	673,04641	673
14	144,96384	145	66	683,40097	683
15	155,31840	155	67	693,75553	694
16	165,67296	166	68	704,11009	704
17	176,02752	176	69	714,46465	714
18	186,38208	186	70	724,81921	725
19	196,73664	197	71	735,17377	735
20	207,09120	207	72	745,52833	746
21	217,44576	217	73	755,88289	756
22	227,80032	228	74	766,23745	766
23	238,15488	238	75	776,59202	777
24	248,50944	249	76	786,94658	787
25	258,86401	259	77	797,30114	797
26	269,21857	269	78	807,65570	808
27	279,57313	280	79	818,01026	818
28	289,92769	290	80	828,36482	828
29	300,28225	300	81	838,71938	839
30	310,63681	311	82	849,07394	849
31	320,99137	321	83	859,42850	859
32	331,34593	331	84	869,78306	870
33	341,70049	342	85	880,13762	880
34	352,05505	352	86	890,49218	890
35	362,40961	362	87	900,84674	901
36	372,76417	373	88	911,20130	911
37	383,11873	383	89	921,55586	922
38	393,47329	393	90	931,91042	932

Number of existing Ordinary Shares	Number of Rights Offer Shares to which an Ordinary Shareholder is entitled	Rounded number of Rights Offer Shares to which an Ordinary Shareholder is entitled	Number of existing Ordinary Shares	Number of Rights Offer Shares to which an Ordinary Shareholder is entitled	Rounded number of Rights Offer Shares to which an Ordinary Shareholder is entitled
39	403,82785	404	91	942,26498	942
40	414,18241	414	92	952,61954	953
41	424,53697	425	93	962,97410	963
42	434,89153	435	94	973,32866	973
43	445,24609	445	95	983,68322	984
44	455,60065	456	96	994,03778	994
45	465,95521	466	97	1 004,39234	1 004
46	476,30977	476	98	1 014,74690	1 015
47	486,66433	487	99	1 025,10146	1 025
48	497,01889	497	100	1 035,45602	1 035
49	507,37345	507	1 000	10 354,56020	10 355
50	517,72801	518	10 000	103 545,60200	103 546
51	528,08257	528	100 000	1 035 456,02000	1 035 456
52	538,43713	538	1 000 000	10 354 560,20000	10 354 560

INFORMATION ON THE UNDERWRITER

The Rights Offer is underwritten by the IDC. Details pertaining to the Underwriter as required by the Listings Requirements are set out below.

Full legal and entity name:	Industrial Development Corporation of South Africa Limited	
Directors:	Name	Designation
	Executive	
	MG Qhena	Chief Executive Officer
	GS Gouws	Alternate
	Non-Executive	
	BA Mabuza	Chairperson
	LI Bethlehem	
	BA Dames	
	RM Godsell	
	A Kriel	
	SM Magwentshu-Rensburg	
	NP Mnxasana	
	M More	
	PM Mthethwa	
	ND Orleyn	
	NE Zalk	
Company secretary:	P Makwane	
Date and place of incorporation:	Incorporated in 1940 in the Republic of South Africa	
Registration number:	1940/014201/06, a corporation established under Section 2 of the Industrial Development Corporation Act No. 22 of 1940	
Registered office:	19 Fredman Drive Sandown, 2196 (PO Box 784055, Sandton, 2146)	
Auditors:	KPMG (Johannesburg) SizweNtsalubaGobodo (Johannesburg)	
Bankers:	ABSA	
Authorised share capital:	n/a	
Issued share capital:	n/a	

MATERIAL BORROWINGS OF THE GROUP

Basil Read entity	Counter-party	Nature of agreement	Date of agreement	How it arose	Amount, terms and conditions of repayment or renewal	Interest rate	Security	Impacted by Debt Standstill Agreement (refer paragraph 13.1.2 of the Circular)	If repayable within 12 months – how will this be financed
Basil Read Limited	IDC	Short-term loan agreement	Approved on 2 October 2017 subject to conditions	Working capital requirement	ZAR 89 000 000	Prime plus 3%	Secured	Only if the Rights Offer is not successful	Through the proceeds of the Rights Offer
Basil Read Limited	IDC	Short-term loan agreement	5 September 2017	Working capital requirement	ZAR 61 000 000	Prime plus 3%	Secured	Only if the Rights Offer is not successful	Through the proceeds of the Rights Offer
Basil Read Limited	IDC	Long-term Loan Agreement	28 July 2016	Working capital requirement	ZAR 140 000 000	Prime plus 1.2%	Secured	Yes	Not applicable
Basil Read Limited	IDC	Revolving credit facility	28 July 2016	Working capital requirement	ZAR 60 000 000	Prime plus 1.2%	Secured	No	Through operations
Basil Read Limited	Aluwani	Domestic Medium-Term Note Programme (refer paragraph 13.1.3 of this Circular)	7 December 2017	Working capital requirement	ZAR 50 000 000	Three-month ZAR-JIBAR-plus 4.5%	Secured	Yes	Not applicable
Basil Read Mining Namibia (Pty) Ltd	Volvo Construction Equipment	Instalment Sale Agreement	18 April 2017	Purchase of equipment	ZAR 36 198 672	12.75%	Secured	No	Funded through the specific project that utilises the equipment
Basil Read Mining Namibia (Pty) Ltd	Itochu Corporation	Instalment Sale Agreement	25 April 2017	Purchase of equipment	USD 17 711 743.80	Libor USD 12 month plus 1.8%	Secured	No	Funded through the specific project that utilises the equipment
Sladden International (Pty) Ltd	Standard Chartered Bank Botswana Limited	Overdraft/ Credit Facility	4 September 2015	Working capital requirement	BWP 25 000 000	Prime less 2%	Unsecured	Yes	Not applicable
Basil Read Mining SA (Pty) Ltd	Barak Fund SPC Limited	Loan facility agreement	28 June 2017	Purchase of equipment	USD 4 418 375.75	Bank prime loan rate on USD based loans in the US plus 3%	Secured	No	Funded through the specific project that utilises the equipment

Basil Read entity	Counter-party	Nature of agreement	Date of agreement	How it arose	Amount, terms and conditions of repayment or renewal	Interest rate	Security	Impacted by Debt Standstill Agreement (refer paragraph 13.1.2 of the Circular)	If repayable within 12 months – how will this be financed
Basil Read Mining Namibia (Pty) Ltd	IDC	Short-term loan agreement	10 September 2017	R50m is for an advance payment guarantee and R40m is for working capital requirement.	ZAR 90 000 000	Prime plus 2.4%	Secured	No	The IDC have the right to the Skorpion project proceeds (Client invoices) that will be utilised to repay the debt.
Basil Read Mining SA (Pty) Ltd	Atrafin LLC, DBA American Trade & Finance Company	Medium-term credit facility	29 September 2017	Purchase of equipment	USD 5 672 643	Six-month Libor plus 2.25%	Secured	No	Funded through the specific project that utilises the equipment
Basil Read Limited	Investec	Overdraft/ Credit Facility	19 October 2015	Working capital requirement	ZAR 20 000 000	Prime rate	Unsecured	Yes	Not Applicable

There are no conversion or redemption rights attached to the borrowings.

TABLE OF IMPACT OF RESTRICTIONS ON SHAREHOLDER COMMITMENTS AND SUPPORT AND UNDERWRITING

		Ordinary Shareholders other than the Underwriter and the Committed and Supportive Shareholders and Underwriter take up 100% of their entitlement	Ordinary Shareholders other than the Underwriter and the Committed and Supportive Shareholders take up the balance of R300 million not taken up by the Underwriter and the Committed and Supportive Shareholders	Ordinary Shareholders other than the Underwriter and Committed and Supportive Shareholders take up 0% of their entitlement
Ordinary Shareholders other than the Underwriter and the Committed and Supportive Shareholders	% of Rights Offer	44,60%	16,60%	–
	Number of Rights Offer Shares	608 160 642	226 325 067	–
	Value (R'million)	134	50	–
IDC as Shareholder	% of Rights Offer	6,90%	6,90%	12,32%
	Number of Rights Offer Shares	94 132 365	94 132 365	94 132 365
	Value (R'million)	21	21	21
IDC as Underwriter	% of Rights Offer	–	28,00%	24,08%
	Number of Rights Offer Shares	–	381 835 575	183 910 034
	Value (R'million)	–	84*	40*
Allan Gray Proprietary Limited	% of Rights Offer	23,81%	23,81%	25,21%
	Number of Rights Offer Shares	324 681 452	324 681 452	192 541 666
	Value (R'million)	71	71	42
Prudential Investment Managers (South Africa) Proprietary Limited	% of Rights Offer	8,89%	8,89%	10,19%
	Number of Rights Offer Shares	121 195 737	121 195 737	77 825 131
	Value (R'million)	27	27	17
PSG Asset Management Proprietary Limited	% of Rights Offer	9,10%	9,10%	16,24%
	Number of Rights Offer Shares	124 080 900	124 080 900	124 080 900
	Value (R'million)	27	27	27
SIOC	% of Rights Offer	5,99%	5,99%	10,69%
	Number of Rights Offer Shares	81 627 514	81 627 514	81 627 514
	Value (R'million)	18	18	18
Ashburton Fund Managers Proprietary Limited (in its capacity as discretionary FSP of the Ashburton Dynamic Equity Hedge Fund)	% of Rights Offer	0,72%	0,72%	1,28%
	Number of Rights Offer Shares	9 757 754	9 757 754	9 757 754
	Value (R'million)	2	2	2
Total	% of Rights Offer	100,00%	100,00%	100,00%
	Number of Rights Offer Shares	1 363 636 364	1 363 636 364	763 875 364
	Value (R'million)	300	300	168

Resultant Post rights offer shareholding

	Ordinary Shareholders other than the Underwriter and the Committed and Supportive Shareholders and Underwriter take up 100% of their entitlement	Ordinary Shareholders other than the Underwriter and the Committed and Supportive Shareholders take up the balance of R300 million not taken up by the Underwriter and the Committed and Supportive Shareholders	Ordinary Shareholders other than the Underwriter and Committed and Supportive Shareholders take up 0% of their entitlement
IDC	6,90%	32,44%*	32,06%*
Allan Gray Proprietary Limited	23,81%	23,81%	25,00%
Prudential Investment Managers (South Africa) Proprietary Limited	8,89%	8,89%	10,00%

**Due to IDC restriction of 33% post Rights Offer shareholding (including the 8 400 263 Basil Read Ordinary Shares which it holds as security pre-Rights Offer) per note 4 of paragraph 3.3 of this Circular.*

For use by Certificated Shareholders only

FORM OF INSTRUCTION FOR A CERTIFICATED SHAREHOLDER IN RESPECT OF A LETTER OF ALLOCATION

IMPORTANT: If you are in doubt as to what action to take in relation to this Form of Instruction, please consult your CSDP, Broker, attorney, accountant, banker or other professional advisor immediately.

This Form of Instruction in respect of a Letter of Allocation should be read together with the Circular to Shareholders of Basil Read dated 5 February 2018.

Words and expressions defined in the Circular shall have the same meanings in this Form of Instruction.

The rights to Rights Offer Shares have been issued in dematerialised form, are negotiable and can be sold on the JSE under stock code BSRN and ISIN ZAE000253886.

The electronic record for Certificated Basil Read Ordinary Shares is being maintained by the Transfer Secretaries. This has made it possible for Certificated Shareholders, who are eligible to participate in the Rights Offer, to enjoy the same rights and opportunities as those Ordinary Shareholders who have already dematerialised their Basil Read Ordinary Shares.

Should you wish to take up, sell or renounce all or part of the rights to which you are entitled in terms of the Rights Offer, you must complete this Form of Instruction and return it to the Transfer Secretaries at the address set out in paragraph 3.2 of this Form of Instruction.

Each alteration must be signed in full and not merely initialled.

EXCHANGE
CONTROL REGULATIONS
ENDORSEMENT
(SEE PAGE 20 PARAGRAPH 8)



BASIL READ®

BASIL READ HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1984/007758/06)

Share code: BSR ISIN: ZAE000029781

("Basil Read" or "the Company")

A Form of Instruction in respect of a Letter of Allocation issued to Certificated Shareholders Pursuant to a partially underwritten renounceable Rights Offer by Basil Read that seeks to raise R300 million through the issue of approximately 1 363 636 364 Rights Offer Shares to Ordinary Shareholders at a Rights Offer Issue Price of R0.22 each in the ratio of 1 035.45602 Rights Offer Shares for every 100 Basil Read Ordinary Shares held at the close of business on Friday, 9 February 2018

2018

Declaration date announcement released on SENS on	Monday, 29 January
Rights Offer declaration data published in the press on	Tuesday, 30 January
Finalisation date announcement released on SENS by 11:00 on	Wednesday, 31 January
Circular available on Basil Read's website at www.basilread.co.za	Monday, 5 February
Last day to trade in Basil Read Ordinary Shares in order to participate in the Rights Offer	Tuesday, 6 February
Listing and trading of Letters of Allocation on the JSE under JSE code: BSRN and ISIN: ZAE000253886 commences at 09:00	Wednesday, 7 February
Basil Read Ordinary Shares commence trading on the JSE ex-Rights Offer entitlement	Wednesday, 7 February
Rights Offer Circular and Form of Instruction distributed to Certificated Shareholders	Thursday, 8 February
Record Date for determination of Ordinary Shareholders entitled to participate in the Rights Offer at 17:00 (Initial Record Date)	Friday, 9 February
Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their entitlement	Monday, 12 February
Certificated Shareholders on the Register will have their entitlement credited to their accounts held with the Transfer Secretaries	Monday, 12 February
Rights Offer opens at 09:00 on	Monday, 12 February
Rights Offer Circular distributed to those Dematerialised Shareholders who have elected to receive documents in hard copy	Tuesday, 13 February
Last day to trade Letters of Allocation on the JSE	Tuesday, 20 February
Rights Offer Shares listed and trading therein commences on the JSE	Thursday, 22 February ⁶
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by Certificated Shareholders by 12:00 p.m. on	Friday, 23 February
Rights Offer closes at 12:00 p.m.	Friday, 23 February
Record Date for Letters of Allocation (Final Record Date)	Friday, 23 February
Results of Rights Offer and basis of allocation of excess Rights Offer Shares announced on SENS	Monday, 26 February
Results of Rights Offer and basis of allocation of excess Rights Offer Shares published in the press on	Tuesday, 27 February
Rights Offer Shares issued	Tuesday, 27 February ⁶
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of payment for Rights Offer Shares)	Tuesday, 27 February ⁶
Certificates distributed to Certificated Shareholders (in respect of the Rights Offer Shares)	Tuesday, 27 February ⁶
Rights Offer Shares in respect of successful excess applications (if applicable) issued on or about	Thursday, 1 March
CSDP or Broker accounts of Dematerialised Shareholders credited/debited and updated with Rights Offer Shares in respect of successful excess applications (if applicable)	Thursday, 1 March
Share certificates in respect of successful excess applications (if applicable) posted to Certificated Shareholders by registered post on or about	Thursday, 1 March
Refund payments made by EFT or cheques posted, as the case may be, to Certificated Shareholders in respect of unsuccessful excess application (if applicable) on or about	Thursday, 1 March

Notes:

1. All references to dates and times are to local dates and times in South Africa.
2. Share certificates may not be dematerialised or rematerialised between Wednesday, 7 February 2018 and Friday, 9 February 2018, both days inclusive.
3. Share certificates will be posted at the risk of the relevant Certificated Shareholders (or their renounees).
4. Refund payments will be made or transferred at the risk of the Certificated Shareholders (or their renounees).
5. Any changes to the dates and times will be announced on SENS.
6. These dates have been extended beyond the standard JSE corporate action timetable in order to cater for the manual allocation arising out of the limits placed on the commitments and underwriting as detailed in paragraph 3.3 of the Circular. **Shareholders should trade with care on Wednesday, 21 February 2018 as Rights Offer Shares will only be issued on Tuesday, 27 February 2018.**

Corporate Advisor and Transaction Sponsor



Legal Advisor to Basil Read



Underwriter



Dear Sir/Madam

1. RIGHTS OFFER

Basil Read hereby offers, upon the terms and conditions stated in the Circular dated 5 February 2018 (which shall, in conflict with the information set out below, take precedence) to the holder(s) of the number of Basil Read Ordinary Shares in Block (2), recorded in the Register at the close of business on Friday, 9 February 2018, rights to subscribe for the number of Rights Offer Shares set out in Block (3).

The Rights Offer Issue Price is R0.22 per Rights Offer Share, payable in Rand.

2. ALLOCATION

The number of Rights Offer Shares stated in Block (3) has been allocated for subscription to the Ordinary Shareholder/s named in Block (1). The allocation of Rights Offer Shares will be such that Ordinary Shareholders will not be allocated a fraction of a Rights Offer Share.

3. ACCEPTANCE AND PAYMENT

Ordinary Shareholders who wish to accept the offer to subscribe for Rights Offer Shares must complete Blocks (5), (6) and (9).

3.1 If the Ordinary Shareholder whose name appears in Block (1), wishes to subscribe for the Rights Offer Shares stated in Block (3) (or any lesser number), this Form of Instruction, duly completed together with payment in terms of 3.2 below, must be delivered or sent by registered post (in the latter case, at the sender's risk) to the Transfer Secretaries, to be received by 12:00 p.m. on Friday, 23 February 2018. Certificated Shareholders (and their renounees) are advised to take into consideration postal delivery times when posting their Form of Instruction, as no postal deliveries will be accepted after 12:00 p.m. on Friday, 23 February 2018. Certificated Shareholders are advised to deliver their completed Form of Instruction together with proof of payment to the Transfer Secretaries by hand or by courier, where possible.

3.2 Payment for the Rights Offer Shares subscribed for must be made in full by way of an EFT payment or cash deposit in Rand. The Transfer Secretaries should be contacted on +27 (0)861472644 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details for the purposes of making EFT payments or cash deposits.

The relevant shareholder account number set out in the Form of Instruction must be used as the identifying reference number for such payment. Neither Basil Read nor the Transfer Secretaries will identify or allocate any EFT payments or cash deposits or other payment received into the relevant banking account unless such transfer or other payment is clearly referenced with the reference number being the relevant shareholder account number set out in the Form of Instruction which must be used as the identifying reference number for such payment.

Electronic forms and proof of EFT payment or cash deposit may be faxed to +27 (0)866743330 or emailed to corpactfax@linkmarketservices.co.za

Kindly note that this is for subscription of Rights only and is not for selling of rights to Rights Offer Shares.

In the case of a foreign Shareholder, payment for the Rights Offer Shares subscribed for must be made in full by way of a banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable" in favour of "Basil Read Rights Offer") for the amounts payable in Rand and lodged together with this duly completed Form of Instruction with the Transfer Secretaries as follows:

Hand delivered to:	Postal deliveries (at the risk of the Shareholder) to:
Link Market Services 13th Floor 19 Ameshoff Street Braamfontein 2000	Link Market Services PO Box 4844 Johannesburg 2000

Electronic forms may be faxed to +27 (0)866743330 or emailed to corpactfax@linkmarketservices.co.za. **Kindly note that this is for subscription of Rights only and is not for selling of rights to Rights Offer Shares.**

3.3 Such payment and the lodging or posting of this duly completed Form of Instruction and the proof of payment of the relevant EFT payment, cash deposit or banker's draft (in the case of foreign Shareholders) in compliance with 3.1 and 3.2 above will constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in the Circular and in the Form of Instruction once the EFT payment, cash deposit or banker's draft (in the case of foreign Shareholders) has been cleared for payment.

3.4 No receipt will be given for an EFT payment, cash deposit or banker's draft (in the case of foreign Shareholders) or other payment received in accordance with this Rights Offer.

3.5 All bankers' drafts received will be deposited immediately for payment. In the event that any banker's draft (in the case of foreign Shareholders) is dishonoured, Basil Read, in its sole discretion and without prejudice to any rights that the Company may have, may treat the relevant acceptance as void or may tender delivery of the relevant Rights Offer Shares to which it relates against payment in cash of the aggregate Rights Offer Issue Price for such Rights Offer Shares.

3.6 If this Form of Instruction is not lodged and completed fully and properly (the Transfer Secretaries shall be entitled to determine in their sole and absolute discretion whether such Form of Instruction has been completed fully and properly), and payment of the required amount is not received by 12:00 p.m. on Friday, 23 February 2018, in terms of the provisions of 3.1 above, then the Ordinary Shareholder will be deemed to have declined the offer to subscribe for Rights Offer Shares in terms of the Rights Offer and the right to subscribe for Rights Offer Shares offered in terms of this Form of Instruction will lapse irrespective of who holds it.

4. RENUNCIATION OR SALE

4.1 If the Ordinary Shareholder whose name appears in Block (1) wishes to sell or renounce part or all of his/her rights, then:

4.1.1 such Ordinary Shareholder must complete Form A (sale) or Form B (renunciation) (whichever is applicable) on page 3 of this Form of Instruction. This must be sent to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 p.m. on Tuesday, 20 February, 2018, if such Shareholder wishes to sell its entitlement, and by no later than 12:00 p.m. on Friday, 23 February 2018, if such Shareholder wishes to renounce its entitlement in favour of any named renounee. The Transfer Secretaries will endeavour to procure the sale of the rights on the JSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of Brokerage charges and associated expenses. The Transfer Secretaries will not have any obligation, or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such entitlements; and

4.1.2 the renounee who wishes to accept the Rights Offer must complete Form C on page 3 of this Form of Instruction. The renounee must also lodge this Form of Instruction and make payment, in terms of paragraph 3, for the Rights Offer Shares in respect of which the Rights Offer is accepted.

4.2 The lodging of this Form of Instruction, with Form B purporting to be signed by the Ordinary Shareholder/s whose name/s appears thereon, will be conclusive evidence of the right of the renounee:

4.2.1 to deal with this Form of Instruction; or

4.2.2 to have the rights in question allotted. Basil Read will not be obliged to investigate whether Form B or Form C has been properly signed or investigate any fact surrounding the signing or lodging of such forms.

5. EXCESS APPLICATIONS

5.1 Ordinary Shareholders will have the right to apply for Rights Offer Shares in excess of their Rights Offer entitlements.

5.2 The right to apply for additional Rights Offer Shares is transferable on renunciation.

5.3 Applications for additional Rights Offer Shares by Certificated Shareholders may only be made by completing Blocks (7), (8) and (9) on page 4.

5.4 Excess applications will be dealt with in the manner set out in paragraph 3.5 of the Circular.

5.5 Refunding of monies by EFT or cheques of monies in respect of unsuccessful applications by Certificated Shareholders for additional Rights Offer Shares will be made or posted to the relevant applicants, at their own risk, on or about Thursday, 1 March 2018.

Basil Read Holdings Limited

Khathutshelo Mapasa
Chief Executive Officer

5 February 2018

GENERAL INSTRUCTIONS AND NOTES

1. POWERS OF ATTORNEY

If this Form of Instruction is signed under a power of attorney then such power of attorney must be sent to the Transfer Secretaries, for registration, unless it has already been registered by them.

2. DECEASED ESTATES AND TRUSTS

Rights Offer Shares will not be allocated in the name of a deceased estate, a trust or a person under contractual disability.

Therefore, when the right to Rights Offer Shares has accrued to a deceased person, an estate or a trust, the executor or trustee, parent/guardian or curator (as the case may be) must complete Form B on page 3 of this Form of Instruction in his representative capacity (which authority must be lodged with the Transfer Secretaries) and Form C on page 3 of this Form of Instruction must be completed by the person in whose name the Rights Offer Shares are to be allocated without any reference to the estate, the trust or the beneficial owner. Letters of Executorship (if not previously registered) should be submitted to the Transfer Secretaries for record purposes.

3. JOINT HOLDERS

All joint holders of Basil Read Ordinary Shares must sign where applicable.

4. SHARE CERTIFICATES

4.1 If the Rights Offer is accepted, then the Basil Read Ordinary Share certificate will be posted, on or about Tuesday, 27 February 2018, to the Certificated Shareholder's address as shown in the Register at such Certificated Shareholder's risk or, if an alternate address is given in the "Postal Instructions" on page 3 of this Form of Instruction, to such address.

4.2 As Basil Read uses the "certified transfer deeds and other temporary Documents of Title" procedure approved by the JSE, "block" certificates will be issued in respect of Rights Offer Shares.

5. EXCHANGE CONTROL REGULATIONS

5.1 The following summary is intended only as a guide and is therefore not comprehensive. If you are in any doubt as to the appropriate course of action, please consult your professional advisor.

5.2 In terms of the Exchange Control Regulations governing the Rights Offer, a "non-resident" endorsement has been applied to Letters of Allocation issued to Ordinary Shareholders who are non-residents of the Common Monetary Area.

5.3 In terms of the Exchange Control Regulations non-residents who are not former residents may:

5.3.1 take up rights allocated to them in terms of the Rights Offer;

5.3.2 purchase rights on the JSE;

5.3.3 subscribe for the Rights Offer Shares;

5.3.4 subscribe for additional Rights Offer Shares,

provided payment is in foreign currency or in Rand from a non-resident Rand account.

5.4 All applications by non-residents for the above purposes must be made through a South African authorised dealer in foreign exchange. Share certificates issued pursuant to the application must be endorsed "non-resident".

5.5 Any documents of title issued to non-residents of the Common Monetary Area will be endorsed "non-resident". In the event that Letters of Allocation and/or Rights Offer Shares are held by a non-resident of the Common Monetary Area through Strate, the securities account maintained for such non-resident by the relevant CSDP will be designated as a non-resident account.

5.6 It will be incumbent on any such non-resident to instruct its nominated agent or authorised dealer as to how any funds due to such non-resident in respect of Letters of Allocation and/or Rights Offer Shares are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the Rights Offer Shares are acquired with foreign currency introduced into South Africa or Rand from a non-resident Rand account and provided that the relevant documents of title have been endorsed "non-resident" or the relevant securities account has been designated as a non-resident account, as the case may be.

5.7 Where a right in terms of the Rights Offer falls due to an Emigrant of the Common Monetary Area, which right is based on Basil Read Ordinary Shares controlled in terms of the Exchange Control Regulations, then only funds in the Emigrant's capital account may be used to:

5.7.1 take up rights allocated to such Emigrant in terms of the Rights Offer;

5.7.2 purchase rights on the JSE;

5.7.3 subscribe for Rights Offer Shares in terms of the Rights Offer;

5.7.4 subscribe for additional Rights Offer Shares.

5.8 All applications by Emigrants using funds in their capital account for the above purposes must be made through the South African authorised dealer controlling their remaining assets. Basil Read Ordinary Share certificates issued pursuant to using funds from their emigrant capital account must be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

5.9 Where rights are sold on the JSE on behalf of Ordinary Shareholders or renounees who are Emigrants, which rights are based on Basil Read Ordinary Shares which are controlled in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to their respective emigrant capital accounts.

6. NON-RESIDENT SHAREHOLDERS

The attention of Shareholders resident outside the Common Monetary Area is drawn to paragraphs 8, 9 and 11 of the Circular. It is the responsibility of all such persons (including without limitation, nominees and trustees) wishing to accept the Rights Offer to satisfy themselves of the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes in connection therewith due in such territory.

The Forms of Instruction, Letters of Allocation and the Rights Offer Shares have not been and will not be registered with any authority in any jurisdiction other than South Africa. The making of the Rights Offer, the distribution of the Circular or this Form of Instruction or the Letters of Allocation and the transfer of Rights Offer Shares and/or Letters of Allocation to certain persons in territories other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a contravention of the laws of any such territory. Neither the Circular, nor this Form of Instruction nor Letters of Allocation, are to be regarded as an offer or invitation to any person in any jurisdiction other than South Africa to the extent that any applicable legal requirement in such jurisdiction has not been complied with or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction to such person. In those circumstances, the Circular and/or this Form of Instruction, if any, is sent for information purposes only.

7. JSE LISTINGS

The JSE has granted a listing of the rights (in terms of the Letters of Allocation) to be issued in respect of the Rights Offer Shares with effect from Wednesday, 7 February 2018 to Tuesday, 20 February 2018, both days inclusive.

FORM A: INSTRUCTION TO ENDEAVOUR TO PROCURE THE SALE OF THE RIGHTS ON THE JSE**PLEASE USE BLOCK LETTERS**

(To be signed by Shareholders named in Block (1) if the right to the Rights Offer Shares is to be sold on the JSE)

To the Directors,

Basil Read Holdings Limited

I/We hereby instruct Link Market Services South Africa Proprietary Limited to pay the proceeds, if any, of the sale of the rights allocated to me/us in terms of this Form of Instruction (less R154.48 (all inclusive of VAT) for trades of less than R40 000 and R154.48 plus 0.35% of the value of trades (all inclusive of VAT) for amounts equal to or greater than R40 000).

If all of the Shareholder's rights to Rights Offer Shares are not being sold, please specify in the block how many rights are being sold.

Signed:

Date:

2018

Stamp and endorsement
of selling broker (if any)**Payment instructions:**Tick appropriate box. **PLEASE USE BLOCK LETTERS** 1. By cheque, which should be posted at my/our own risk to the following address:

In order to comply with the requirements of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) ("FICA"), the Transfer Secretaries will be unable to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

- An original certified copy of your identity document;
- An original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one please submit this advice in writing and have such letter signed by a Commissioner of Oaths; and
- An original or an original certified copy of a service bill to verify your residential address e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively, you may provide any two retail credit account statements (e.g. Edgars, Jet, Woolworths etc.) that reflect your residential address. Should the service bill be in the name of a third party, please supply a certified copy of the homeowner's identity document, service bill and a completed and signed co-habitant form.

 Please note that all documents should be dated within the preceding three months. Please note that copies of certified copies will not be accepted. 2. By electronic funds transfer to the following bank account:

Name of bank:

Account number:

Branch code:

In terms of the FICA, the Transfer Secretaries will not be able to record your banking details for EFT payment, unless the following documents are submitted:

- An original certified true copy of your identification document;
- An original certified true copy of your original bank statement; and
- An original or an original certified copy of a service bill to verify your residential address e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively, you may provide any two retail credit account statements (e.g. Edgars, Jet, Woolworths etc.) that reflect your residential address. Should the service bill be in the name of a third party, please supply a certified copy of the homeowner's identity document, service bill and a completed and signed co-habitant form.

 Please note that all documents should be dated within the preceding three months. Please note that copies of certified copies will not be accepted. 3. To a charitable organisation to be selected by Basil Read.**PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETED OR IF CONFLICTING INSTRUCTIONS ARE GIVEN, A CHEQUE IN PAYMENT OF THE AMOUNT DUE WILL BE SENT TO THE ADDRESS RECORDED IN THE REGISTER****FORM B: FORM OF RENUNCIATION**

(To be signed by Shareholders named in Block (1) if the right to the Rights Offer Shares is renounced.)

If all of the Shareholder's rights to Rights Offer Shares are not being renounced, please specify in the block below how many of the rights are being renounced.

To the Directors,

Basil Read Holdings Limited

I/We hereby renounce the number of Rights Offer Shares specified in the above block and, if no number is specified, all my/our rights as stipulated in Block (3) on page 4, in favour of the person completing Form C.

Signed:

Date:

2018

Stamp and endorsement
of selling broker (if any)**FORM C: REGISTRATION APPLICATION FORM TO BE COMPLETED BY RENOUNCEES**

(To be completed by the renounee to whom the Rights Offer Shares are to be allotted.) This form will not be negotiable once this form is completed.

To the Directors,

Basil Read Holdings Limited

I/We

- (a) hereby exercise the allocation rights renounced in my/our in favour in terms of Form B above in respect of the number of the Rights Offer Shares set out in Block (5) on page 4 of this Form of Instruction and apply for the number of Additional Shares specified in Block (7) on page 4 of this Form of Instruction;
- (b) authorise you to procure the allotment and issue of the number of Rights Offer Shares specified in Form B above or, if no number is specified the number of Rights Offer Shares stipulated in Block (3) on page 4 of this Form of Instruction in my/our own name(s) upon the conditions set out in the Circular issued on 5 February 2018 as read with this Form of Instruction;
- (c) authorise Basil Read to place my/our names on the Register of Shareholders; and
- (d) authorise the Company and/or the Transfer Secretaries to post the share certificates evidencing the Rights Offer Share to be issued to me/us by post at my/our own risk.

USE BLOCK LETTERS

Broker (if any)

Name and surname in full

Postal address (preferably PO Box)

Telephone number (office hours) ()

Cell phone number ()

Email address:

Signed:

Date

2018

Stamp and endorsement
of selling broker (if any)**PLEASE NOTE:** Renounees must attach a certified true copy of your identification document to the Form of Instruction, when Form B (Form of Renunciation) has been completed.**FORM D: POSTAL INSTRUCTION AND DOCUMENTS OF TITLE**

Basil Read Share Certificates should be forwarded at my/our risk, to the following address:

(BLOCK LETTERS)

(If no specific instructions are given here, the Share Certificate will be forwarded to the address shown on page 4)

Signed:

Date

2018

A Shareholder wishing to collect their Rights Offer Share Certificate from the Transfer Secretaries must tick this block:

In order to comply with the requirements of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), the Transfer Secretaries will be unable to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

- An original certified copy of your identity document;
- An original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one please submit this advice in writing and have such letter signed by a Commissioner of Oaths; and
- An original or an original certified copy of a service bill to verify your residential address e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively, you may provide any two retail credit account statements (e.g. Edgars, Jet, Woolworths etc.) that reflect your residential address. Should the service bill be in the name of a third party, please supply a certified copy of the homeowner's identity document, service bill and a completed and signed co-habitant form.

Please note that all documents should be dated within the preceding three months. Please note that copies of certified copies will not be accepted.

THIS FORM OF INSTRUCTION MUST BE COMPLETED IN ITS ENTIRETY AND RETURNED TO THE TRANSFER SECRETARIES

Hand deliveries to:

Link Market Services South Africa Proprietary Limited
 13th Floor, 19 Ameshoff Street
 Braamfontein
 2000

Postal deliveries to:

Link Market Services South Africa Proprietary Limited
 PO Box 4844
 Johannesburg
 2000

Forms of Instruction which are not posted must be faxed to +27 (0)866743330 or emailed to corpactfax@linkmarketservices.co.za

Name and address of Ordinary Shareholder	Account number
(1)	Enquiries in connection with this Form of Instruction should be directed to the Transfer Secretaries quoting the account number below. All EFT, cash deposits and other payments to the Basil Read bank account must quote this account number as the reference number.

Number of Basil Read Ordinary Shares registered in your name at the close of business on Friday, 9 February 2018	Number of Rights Offer Shares to which you are entitled, based on your holding as at the Initial Record Date	Amount payable for maximum number of Rights Offer Shares at the cost of R0.22 per Rights Offer Share
(2)	(3)	(4)

Acceptance of rights in terms of paragraph 3 of this Form of Instruction	Number of Rights Offer Shares subscribed for (not to exceed the number in Block (3))	Amount due at the cost of R0.22 per Rights Offer Share (i.e. Number in Block (5) x R0.22)
<i>(to be completed by the applicant wishing to apply for Rights Offer Shares)</i>	(5)	(6)

Application for Additional Rights Offer Shares	Number of additional Rights Offer Shares for which the application is made	Amount due at R0.22 per Rights Offer Share
<i>(to be completed by acceptors wishing to apply for Additional Rights Offer Shares)</i>	(7)	(8)

Amount of EFT payment, cash deposit or banker's draft (in the case of foreign Shareholders)
(9)

Applicant's telephone number (office hours) ()	Applicant's telephone number (home) ()
Applicant's mobile number	Email address
Signature	

Details of applicant's bank account to which any refund payments should be made

Name of applicant: _____

Name of bank: _____

Account number: _____

In terms of the Financial Intelligence Centre Act, the Transfer Secretaries will not be able to process EFT refunds unless it received from the applicant:

- Certified true copy of the applicant's identity document;
- Certified true copy of the applicant's original bank statements in respect of the bank account nominated above; and
- An original (or an original certified copy of a service bill to verify your residential address. e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively, you may provide any two of retail credit account statements (e.g. Edgars, Jet, Woolworths etc.) that reflect your residential address. Should the service bill be in the name of a third party, please supply a certified copy of the homeowner's identity document, service bill and a completed and signed co-habitant form.