SUBSCRIPTION AGREEMENT

between:-

BASIL READ HOLDINGS LIMITED

and

SIOC CDT INVESTMENTS HOLDINGS PROPRIETARY LIMITED

IT IS AGREED AS FOLLOWS:-

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1 **Definitions**

In this Agreement unless clearly inconsistent with the text and meaning hereof: -

1.1	"A" Ordinary Shares shall mean	-	the "A" ordinary shares to be subscribed for by SIOC in terms of clause 4.1.2 or for any further "A" Ordinary Shares as may be acquired by SIOC in terms of this Agreement and with the rights attaching thereto as provided for in clause 7;
1.2	"A" Subscription Price shall mean	-	R0.01 (one cent) per "A" Ordinary Share;
1.3	Act shall mean	-	the Companies Act No. 71 of 2008, as amended, together with any regulations published in terms of the Act;
1.4	AFSA shall mean	-	the Arbitration Foundation of Southern Africa;
1.5	Agreement shall mean	-	this document together with all annexures;
1.6	Aggregate Consideration shall mean	-	the aggregate of (a) the "A" Subscription Price for all of the "A" Ordinary Shares plus (b) the Initial Subscription Price for all of the Initial Ordinary Shares plus (c) the stated capital of the issued ordinary shares (including treasury shares) of Holdings at the Effective Date plus (d) any equity capital raised by the issue of ordinary shares in Holdings subsequent to the Effective Date;
1.7	Board shall mean	-	the board of directors of Holdings as constituted, from time to time;

1.8	Business Day shall mean	-	any day other than a Saturday, Sunday or an official public holiday in RSA;
1.9	Change in Control shall mean	-	should either (a) the Trust hold less than 51% of the issued share capital of SIOC and/or cease to be able to exercise 51% of the total voting rights of SIOC or (b) the majority of the trustees of the Trust as at the Signature Date cease to be the majority trustees of the Trust or (c) the majority of the directors of SIOC as at the Signature Date cease to be the majority of the directors of SIOC;
1.10	CIPC shall mean	-	the Companies and Intellectual Property Commission established by Section 185 of the Act;
1.11	Conversion Date shall mean	-	the date on which the "A" Ordinary Shares will be converted into Ordinary Shares as provided for in clause 7.7;
1.12	DTI shall mean	-	The Department of Trade and Industry, a department of government situated in the RSA;
1.13	Effective Date shall mean	-	the 1st (first) Business Day following the last of the conditions precedent in clause 3 having been fulfilled or waived, as the case may be;
1.14	Exit Market Price shall mean	-	the VWAP 5 (five) Business Days prior to the Termination Date less 12.5% (twelve point five per centum);
1.15	Holdings shall mean	-	Basil Read Holdings Limited (registration number 1984/007758/06) a public company with limited liability

			incorporated in RSA;
1.16	Initial Ordinary Shares shall mean	-	the shares to be issued to and subscribed for by SIOC in terms of clause 4.1.1;
1.17	Initial Subscription Price shall mean	-	the VWAP per ordinary share on the close of business on 7 March 2012 which was R14.35 (fourteen Rand and thirty five cents) less a 12.5% (twelve point five per centum) discount of R1.79 (one Rand and seventy nine cents) which equals R12.56 (twelve Rand and fifty six cents);
1.18	JSE shall mean	-	JSE Limited (registration number 2005/0222939/06) a public company incorporated under the laws of RSA licensed as an exchange under the Securities Services Act No: 36 of 2004, as amended;
1.19	Offer Price shall mean	-	the price offered, per ordinary share (excluding the "A" Ordinary Shares), for the purchase of the entire issued ordinary share capital of Holdings (excluding treasury shares and excluding the "A" Ordinary Shares) on an arm's length *bona fide* outside offer, less 12.5% (twelve point five per centum);
1.20	Ordinary Shares shall mean	-	the ordinary shares of Holdings of no par value;
1.21	Parties shall mean	-	Holdings and SIOC, and Party shall bear the corresponding meaning, as the context requires;
1.22	Prime Rate shall mean	-	the prime overdraft rate charged by Nedbank Limited on unsecured overdraft facilities, from time to time charged nominal annual and compounded monthly in arrears on a simple basis (calculated as the annual rate divided by 12 (twelve));

1.23	Rand or R shall mean	-	South African Rand;
1.24	Repurchase Date shall mean	-	the second Business Date after the Termination Date;
1.25	RSA shall mean	-	the Republic of South Africa;
1.26	SIOC shall mean	-	SIOC CDT Investment Holdings Proprietary Limited (registration number 2011/010141/07) a private company with limited liability incorporated in RSA;
1.27	SIOC Call Option shall mean	-	the call option granted by Holdings in favour of SIOC as more fully set out in clause 6.5 below;
1.28	SIOC Notional Loan shall mean	-	the SIOC Notional Loan referred to in clause 6.1 below;
1.29	SIOC Subscription Consideration shall mean	-	the aggregate amount payable by SIOC to Holdings for the Subscription Shares in terms of clause 4.1;
1.30	Signature Date shall mean	-	the date on which this Agreement is signed by the Party signing last in time;
1.31	Subscription Date shall mean	-	the date on which the Subscription Shares are subscribed for by SIOC in terms hereof;
1.32	Subscription Shares shall mean	-	collectively, the Initial Ordinary Shares referred to in 4.1.1 and the "A" Ordinary Shares referred to in 4.1.2;
1.33	the Termination Date shall mean	-	the earlier of (1) the fourth anniversary of the Subscription Date or should this date fall over a weekend or a public holiday the first business day following the fourth anniversary of the Subscription Date but subject to clause 6.9 and (2) an offer as contemplated in clause 15 being

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implemented and (3) the date on which a final award for the winding up of Holdings is granted for whatsoever reason which is not otherwise challenged by Holdings;

1.34 the Trust shall mean - the SIOC Community Development Trust (Master's Reference number IT 0454/06);

1.35 VWAP shall mean - the 60 (sixty) Business Day volume weighted average price of an Ordinary Share as traded on the JSE which, if disputed, shall be determined by the external auditors of Holdings as experts and not as arbitrators and whose decision is final and binding on the Parties;

1.36 words importing the singular shall, where necessary, include the plural and *vice versa* and words importing one gender shall, where necessary, include the others;

1.37 the headings in this Agreement are inserted for convenience purposes only and are not to be used in the interpretation hereof;

1.38 if any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of this Agreement;

1.39 in this Agreement wherever any number of days is prescribed, that number of days shall be calculated exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday;

1.40 the annexures to this Agreement shall be deemed to be incorporated in and form an integral part of this Agreement;

1.41 the terms of this Agreement have been negotiated, and accordingly the rule of interpretation of contracts that a contract shall be interpreted against the party drafting the contract shall not apply to this Agreement; and

1.42 should any term or condition of this Agreement become invalid or unenforceable for whatsoever reason, such offending term or condition shall be severed from this Agreement and the remaining terms and conditions shall be binding on the Parties.

2 Recordals

The Parties record that: -

2.1 Holdings intends to proceed with a broad based black economic empowerment transaction in terms of this Agreement; and

2.2 SIOC wishes to participate in the aforesaid transaction by subscribing for the Subscription Shares.

3 Conditions precedent

3.1 This Agreement, save for this clause 3 and clauses 9, 10, 11, 14 and 16 are subject to the fulfilment by no later than 28 September 2012, or within such extended period as the Parties may agree in writing, of the following conditions precedent -

3.1.1 the shareholders of Holdings passing all necessary resolutions to give effect to the transactions contemplated herein (including, where necessary, resolutions to increase the authorised share capital of Holdings and to amend the memorandum of incorporation of Holdings to incorporate the terms and conditions of the "A" Ordinary Shares);

3.1.2 the registration (where necessary) of the aforesaid resolutions; and

3.1.3 the approval of the JSE is obtained in respect of the listing of the Initial Ordinary Shares.

3.2 Should any of the conditions precedent contained in clause 3.1 above not be fulfilled by not later than the 28th day of September 2012 or within such extended period as may be agreed in writing by all Parties to this Agreement, the provisions of clauses 9, 10, 11, 14 and 16 shall continue to be of force and effect but the remainder of this Agreement shall have failed to come into force and effect.

4 Subscription for Subscription Shares

4.1 On the Effective Date (or so soon thereafter as may be reasonably possible) SIOC shall subscribe for the following shares -

4.1.1 7 883 243 (seven million eight hundred and eighty three thousand two hundred and forty three) Ordinary Shares, each at the Initial Subscription Price, for cash in the amount of R99 013 532,08 (ninety nine million, thirteen thousand five hundred and thirty two Rand and eight cents);

4.1.2 33 607 507 (thirty three million, six hundred and seven thousand, five hundred and seven) "A" Ordinary Shares, each at the "A" Subscription Price, for cash in the amount of R336 075,07 (three hundred and thirty six thousand and seventy five Rand and seven cents).

4.2 It is a condition of the issuing of the Subscription Shares that (in addition to SIOC paying the SIOC Subscription Consideration in terms of 5.1.5) both the Initial Ordinary Shares and the "A" Ordinary Shares contemplated in clause 4.1 above are subscribed for and paid for simultaneously as one indivisible transaction.

4.3 Against subscription as aforesaid, Holdings shall issue the Subscription Shares to SIOC.

4.4 Upon the issuing of the Subscription Shares, the Subscription Shares shall represent not less than 25.1% (twenty five point one per centum) of the total number of the issued ordinary share capital of Holdings as at such date.

4.5 Save as specifically contemplated herein, SIOC shall not be entitled to, in any way, sell, alienate or encumber in any manner whatsoever any of the Initial Ordinary Shares and/or "A" Ordinary Shares without the prior written consent of the Board for a period of 48 (forty eight) calendar months from the Subscription Date.

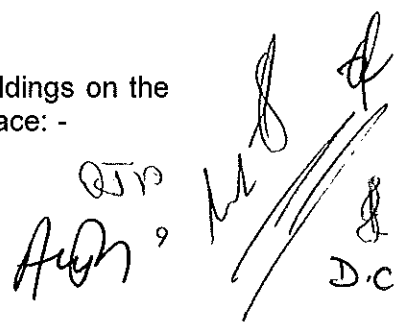
4.6 SIOC shall be entitled to nominate 1 (one) director to the Board of Holdings provided that: -

4.6.1 the director nominated by SIOC is approved by the Board of Holdings and such approval is not unreasonably withheld or delayed; and

4.6.2 the emoluments to be paid to the SIOC nominated director will accrue to SIOC and be paid to SIOC which shall be responsible for the payment of that director's emolument, which shall be paid simultaneously with the emoluments paid to the other directors of Holdings.

5 Closing

5.1 Representatives of the Parties shall meet at the offices of Holdings on the Subscription Date when the following transactions shall take place: -



5.1.1 Holdings shall deliver proof of the issuing of the Initial Ordinary Shares to SIOC pursuant to the subscription thereof in terms of clause 4.1.1;

5.1.2 Holdings shall deliver proof of the issuing of the "A" Ordinary Shares to SIOC pursuant to the subscription thereof in terms of clause 4.1.2;

5.1.3 Holdings shall deliver a copy of the resolutions authorising Holdings to issue the Subscription Shares for the SIOC Subscription Consideration and approving the subscription therefor by SIOC;

5.1.4 Holdings shall deliver a resolution of the Board noting and accepting 1 (one) nominee of the SIOC as non-executive director of Holdings, provided that the proposed board member shall be a black person as defined by the DTI codes so as to ensure the maximum number of points for broad based equity management is achieved by Holdings and such nominee is reasonably acceptable to the Board;

5.1.5 SIOC shall pay to Holdings the SIOC Subscription Consideration into such bank account as Holdings may stipulate in writing for such purpose, without any withholding, deduction or set-off whatsoever.

5.2 It being recorded and agreed that the aforegoing shall occur simultaneously.

5.3 Ownership and risk in and to the Initial Ordinary Shares and the "A" Ordinary Shares issued to SIOC in terms of clause 4.1 shall vest in SIOC on the Subscription Date and against payment of the SIOC Subscription Consideration.

5.4 Holdings does not make any warranties whatsoever (express or implied) in respect of the Initial Ordinary Shares and/or the "A" Ordinary Shares which are allotted and issued by Holdings voetstoots.

6 Repurchase of the "A" Ordinary Shares

6.1 Subject to the provisions of clause 6.2 below the SIOC Notional Loan shall be equal to:

6.1.1 the number of "A" Ordinary Shares issued to SIOC in terms of clause 4.1.2, multiplied by the excess of the Initial Subscription Price over the "A" Subscription Price (SIOC Notional Principal), plus

6.1.2 notional interest in respect of the SIOC Notional Loan, which shall be deemed to have been incurred from the Subscription Date to the

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Termination Date, calculated at 72% (seventy two per centum) of the Prime Rate, less

6.1.3 any notional dividends which are deemed to have been earned in respect of the "A" Ordinary Shares issued to SIOC in terms of clause 4.1.2, which notional dividends shall be deemed to -

6.1.3.1 be equal to the actual dividend declared and paid in respect of each Ordinary Share from the Subscription Date to the Termination Date, multiplied by the number of "A" Ordinary Shares still held by SIOC; and

6.1.3.2 have been paid on the same day on which the dividends are paid in respect of the Ordinary Shares,

provided that –

(1) the SIOC Notional Loan may not be less than nil. In the event of the SIOC Notional Loan being negative on the Repurchase Date (or any other date), the value of the SIOC Notional Loan shall be deemed to be nil; and

(2) should there be any change to the Prime Rate then, notwithstanding the date on which such change occurred, for the purposes of this clause 6.1 only and the calculation of the Notional Interest, such change shall only be deemed to be effective from the first day of the month following the month during which such change occurred; and

(3) should any dividend be paid by Holdings to the shareholders of Holdings then, notwithstanding the date on which such dividend is paid, for the purposes of this clause 6.1 only and the calculation of the Notional Dividends, such payment shall only be deemed to have been made on the first day of the month following the month during which such dividend was paid.

6.2 The SIOC Notional Loan shall be adjusted to take into account any occurrences referred to in clause 7.5 and in accordance with clause 7.5 mutatis mutandis.

6.3 On the Repurchase Date, Holdings (or its nominee) shall, subject to the provisions of the Act, repurchase or purchase (as applicable) at the "A" Subscription Price, so many of the "A" Ordinary Shares from SIOC ("**Repurchased Shares**") as is equal to the SIOC Notional Loan on the Termination Date, divided by the excess of the Exit Market Price per share or the Offer Price per share (as the case may be) over the "A" Subscription

Price per share (fractional number of shares shall be ignored), provided that the number of "A" Ordinary Shares to be repurchased or purchased (as applicable) in terms of this clause shall not exceed the number of the "A" Ordinary Shares issued to SIOC in terms of this Agreement.

6.4 On the Repurchase Date, Holdings shall pay to SIOC, against transfer of unencumbered ownership in and to the Repurchased Shares, an amount equal to the number of "A" Ordinary Shares determined in terms of 6.3 multiplied by the "A" Subscription Price ("**Repurchase Price**"). Once the repurchase or purchase (as applicable) has taken place in accordance with the provisions of clause 6.3, the SIOC Notional Loan shall be deemed to be nil.

6.5 Holdings hereby grants SIOC the SIOC Call Option, in terms of which SIOC shall be entitled, but not be obliged, to subscribe for that number of Ordinary Shares ("**Holdings' Shares**") as is equal to the number of Repurchased Shares (and not in terms of any other provision hereof), at a subscription price per share that is equal to the Exit Market Price per share or the Offer Price per share, as the case may be, ("**Call Price**") provided that the Call Price is not less than the price per share which is equal to the SIOC Notional Loan on the Termination Date, divided by the number of Repurchased Shares. SIOC shall, should it elect to exercise the SIOC Call Option, be obliged to exercise the SIOC Call Option by giving written notice to Holdings (the "**Subscription Notice**") within 15 (fifteen) Business Days from the Termination Date.

6.6 Should SIOC for any reason fail to exercise the SIOC Call Option within the period prescribed in clause 6.5 above, the SIOC Call Option shall lapse and be of no further force or effect.

6.7 Should SIOC exercise the SIOC Call Option pursuant to the provisions of this clause 6, the subscription of the Holdings Shares shall take place on the 5th (fifth) Business Day after delivery of the Subscription Notice (the "**SIOC Subscription Date**") against payment by SIOC of the Call Price into such bank account as Holdings may stipulate in writing for that purpose, without any set-off, deduction or withholding whatsoever.

6.8 On the SIOC Subscription Date, against receipt, in full, of the Call Price, Holdings shall allot and issue the Holdings' Shares as subscribed and fully paid for by SIOC and shall deliver to SIOC any and all relevant documentation evidencing the fact that the Holdings Shares have been allotted and issued.

6.9 Notwithstanding anything in this clause 6 or in this Agreement generally, either Party ("**Offeror**") may, by no later than one month prior to the Termination Date, and by notice to the other Party ("**Offeree**") in writing ("**Extension Notice**"), offer to extend the Termination Date to the same day one calendar year after the Termination Date. The Offeree shall, within a period of 15 (fifteen) Business Days from the date of receipt of the

Extension Notice and by way of written notice to the Offeror, accept or decline such offer. Should the Extension Notice be declined or the Offeree does not respond in writing within such period, the Termination Date will remain unchanged as contemplated by this Agreement.

6.10 For the avoidance of doubt, should the Offeror offer to extend the Termination Date, and the Offeree agree to same in terms of clause 6.9 above, this Agreement shall continue to operate on the exact same terms and conditions and the SIOC Call Option shall not be affected in any way by such extension.

6.11 Holdings shall pay the STT payable in respect of the buyback of the "A" Ordinary Shares in terms of this clause 6.

7 Rights attaching to the "A" Ordinary Shares

7.1 The Parties acknowledge that, with effect from the Subscription Date, the voting rights in respect of the "A" Ordinary Shares referred to in clause 4.1.2 above vest in the holder thereof.

7.2 The holder of the "A" Ordinary Shares shall be entitled, with effect from the Subscription Date, to exercise any voting rights attaching to the "A" Ordinary Shares, subject to 7.3 and 7.4, in such manner as the holder thereof determines in its sole and absolute discretion.

7.3 Subject to 7.4, in respect of any resolution taken at a meeting of the shareholders of Holdings, the holders of the "A" Ordinary Shares shall be entitled to exercise 1 vote per "A" Ordinary Share.

7.4 Notwithstanding the provisions of 7.3, should any special resolution proposed at any meeting of the shareholders of Holdings fail but which would have been passed had the votes of the holders of the "A" Ordinary Shares not been taken into account, then (notwithstanding the aforegoing) the holders of the "A" Ordinary Shares may only exercise that proportion of the total votes in Holdings which the aggregate amount of the "A" Subscription Price of the "A" Ordinary Shares bears to the Aggregate Consideration.

7.5 If a variation in the ordinary share capital of Holdings occurs, including a variation pursuant to a capitalisation or rights issue, sub-division, consolidation or share buyback, or if any merger, restructure, re-organisation, dividend *in specie*, or other transaction which, in the reasonable opinion of either Party, would materially affect the value or voting rights of the "A" Ordinary Shares, that Party may, in its discretion provided it is acting reasonably and objectively and in consultation with the other, request the other Party (subject to the provisions of the Act) to adjust (or agree to an adjustment, as applicable) the value of the allocations made to the "A" Ordinary Shares, as well as the number and/or weighting of votes

attached to each "A" Ordinary Share so that such value is materially similar to the value applicable prior to the variation, provided that any such adjustments must first be confirmed by the independent auditors agreed to in writing between the Parties (or failing agreement within 5 Business Days after request by either Party, appointed by the President for the time being of the South African Institute of Chartered Accountants) as having been calculated on a reasonable basis and further, to ensure that the value of the "A" Ordinary Shares is maintained and all voting rights attaching to all "A" Ordinary Shares are maintained at a percentage equal to the voting percentage exercisable by SIOC prior to any such variation. Notwithstanding the provisions of this clause 7.5 the benefits attaching to the "A" Ordinary Shares shall only apply in the event that the holders of the "A" Ordinary Shares follow their respective rights as are applicable to the Ordinary Shares.

7.6 The Parties acknowledge that the holders of the "A" Ordinary Shares shall not be entitled to any distributions before the "A" Ordinary Shares are converted into Ordinary Shares.

7.7 The "A" Ordinary Shares shall be converted into Ordinary Shares on the earlier of:

7.7.1 the 5th (fifth) Business Days after the SIOC Notional Loan was reduced to nil in accordance with the provision of clause 6.1 or 6.4; or

7.7.2 the 5th (fifth) Business Days after the Termination Date.

7.8 After the conversion of the "A" Ordinary Shares into Ordinary Shares in terms of clause 7.7, the converted "A" Ordinary Shares shall participate in any distributions and have the same voting rights as all other Ordinary Shares. In addition the converted "A" Ordinary Shares shall be listed on the JSE as soon as practicably possible.

8 Confirmation of SIOC Notional Loan Balance

8.1 For the avoidance of doubt, an audited statement of the outstanding balance of the SIOC Notional Loan is to be submitted by Holdings to SIOC on a semi-annual basis or upon request by SIOC, provided that these requests are not unreasonable ("**SIOC Notional Loan Statement**").

8.2 The basis for the calculation shall be in accordance with the model attached as annexure A. In the event of any difference or conflict between the terms and conditions contained in this agreement and the effect of the model, then and in such event, the terms and conditions contained in this agreement shall take precedence, it being recorded that the model is for guidance purposes only.

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8.3 Any discrepancies relating to the SIOC Notional Loan Statement are to be reported by SIOC to Holdings in writing within 5 (five) Business Days of receipt of the SIOC Notional Loan Statement.

8.4 Should a dispute arise between the Parties, the matter should be referred to any external auditors who are not the external auditors of Holdings or SIOC agreed to in writing between the Parties within 5 Business Days after request therefore by any Party, provided should the Parties fail to agree to such auditors within such period then such auditors shall be appointed by the President for the time being of the South African Institute of Chartered Accountants (or its successor) upon request therefore by any Party. Such auditors shall act as experts and not arbitrators and their decision shall be final and binding upon the Parties, save for any manifest error.

9 Commitment

9.1 The Parties undertake to use all reasonable endeavours to ensure the success of the transactions contemplated herein and undertake to use the utmost good faith in all their dealings with each other.

10 Breach

Subject to 11, should any Party breach any of its obligations in terms of this Agreement and fail to remedy such breach within 7 (seven) Business Days from the date of receipt of written notice calling upon it to remedy such breach then the aggrieved Party/ies may cancel this Agreement or claim specific performance by the defaulting Party of all its obligations in terms hereof, in either case without prejudice to the aggrieved Party/ies right to claim damages or any other rights granted herein or in law.

11 Settlement of disputes

11.1 Should any dispute arise from or in connection with this Agreement (whether such dispute arises out of or in connection with the conclusion or existence of this Agreement, the carrying into effect of this Agreement, the interpretation or application of the provisions of this Agreement, the Parties' respective rights and/or obligations in terms of and/or arising out of this Agreement and/or the validity, enforceability, rectification, termination or cancellation whether in whole or part of this Agreement or from any other dispute which may arise in respect of this Agreement) such dispute (save where any clause provides for its own dispute mechanism) shall be finally resolved in accordance with the Rules of the AFSA ("**the Rules**").

11.2 There shall be 1(one) arbitrator who shall be a judge, former judge or retired judge of the High Court of South Africa or a senior counsel of at least five years standing as such.

11.3 The appointment of the arbitrator shall be agreed between the Parties but failing agreement between them within a period of 14 (fourteen) days after the arbitration has been demanded any of the Parties shall be entitled to request the chairman at the relevant time of AFSA or his representative to make such appointment and, in making such appointment, to have regard to the nature of the dispute.

11.4 The arbitration shall be held at a venue agreed upon, in writing, between the Parties or, failing agreement, at a venue in Johannesburg or Sandton selected by the arbitrator.

11.5 The decision of the arbitrator shall be subject to a right of appeal by any Party in terms of Article 22 of the Rules and should such appeal be made, then the appeal shall be heard by an arbitration tribunal consisting of three (3) arbitrators who shall: -

11.5.1 be persons of the same status as the person referred to in clause 11.2 above; and

11.5.2 be appointed in the manner referred to in clause 11.3 above.

11.6 The decision of the arbitrator or the arbitration tribunal, as the case may be, shall be final and binding on the Parties in the absence of a manifest error in calculation, shall be carried into effect and may be made an order of any Court of competent jurisdiction. Each of the Parties hereby submits itself to the jurisdiction of the South Gauteng High Court, Johannesburg (or its applicable successor in title) should any Party wish to make the arbitrator's decision an order of that Court.

11.7 The provisions of this clause 11:

11.7.1 constitute an irrevocable consent by the Parties to any proceedings in terms of this clause 11 and none of the Parties shall be entitled to withdraw therefrom or claim, at any stage of the proceedings, that it is not bound by such proceedings;

11.7.2 are severable from the rest of this Agreement and shall remain in effect despite the termination of or invalidity or alleged invalidity, for any reason, of this Agreement or any part thereof;

11.7.3 shall not preclude either Party from instituting any injunctive or other proceedings in any appropriate Court.

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12 **Holdings' call option**

12.1 Notwithstanding anything to the contrary herein contained, SIOC hereby irrevocably grants a call option to Holdings (or its nominee) (the "**Holdings Option**") to purchase the Initial Ordinary Shares and the "A" Ordinary Shares registered in its favour in the following events:

12.1.1 SIOC breaches its obligations in terms of sub-clause 4.5; or

12.1.2 SIOC loses its broad based black economic empowerment status which, for the purposes hereof, shall mean a black ownership of not less than 51% (fifty one per centum); or

12.1.3 there is a Change in Control in SIOC within 24 months of the Subscription Date, without the prior written consent of Holdings; or

12.1.4 there is a Change in Control in SIOC after 24 months of the Subscription Date, other than as provided for in 13.

12.2 Holdings (or its nominee) shall be entitled to exercise the Holdings Option within 30 days after it becoming aware of the occurrence of any of the events referred to in sub-clause 12.1 above by giving written notice to SIOC of its exercise of the Holdings Option in which event SIOC shall sell, at Holdings' election, all its Initial Ordinary Shares and/or all its "A" Ordinary Shares to Holdings at the following purchase price ("the **Purchase Price**"):

12.2.1 in respect of the Initial Ordinary Shares, each at a price based on the VWAP less 12.5 % (twelve point five per centum) discount on the date of written notice referred to in clause 12.2 ("**the Holdings Call Effective Date**"); and/or

12.2.2 in respect of the "A" Ordinary Shares each at a purchase price equal to the "A" Subscription Price.

12.3 The Purchase Price shall be paid by Holdings (or its nominee) to SIOC against transfer of unencumbered ownership in and to the Initial Ordinary Shares and the "A" Ordinary Shares from the SIOC to Holdings (or its nominee), which shall occur simultaneously and on which date ownership of such shares shall pass to Holdings or its nominee. Risk in and benefit to such shares shall pass to Holdings or its nominee on the Holdings Call Effective Date.

12.4 To the extent that there is any transfer of the "A" Ordinary Shares pursuant to the provisions of this 12, then the acquirer of such shares shall also be allocated the SIOC Notional Loan.

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12.5 SIOC undertakes to notify Holdings in writing of the occurrence of any of the events referred to in sub-clause 12.1.

13 Third party offers and Change in Control

13.1 Third party offers

13.1.1 Should SIOC, after the second anniversary of the Subscription Date, receive a *bona fide* third party offer from a party, any of the Initial Ordinary Shares and/or the "A" Ordinary Shares, that is a broad based black economic party which, if it acquired any of the Initial Ordinary Shares and/or the "A" Ordinary Shares held by SIOC would not worsen the BEE status of Holdings ("**Third Party Offer**"), and which Third Party Offer SIOC has indicated in writing it wishes to accept, then the following provisions shall apply.

13.1.2 On receipt of such Third Party Offer, SIOC will give written notice to Holdings ("**Offer Notice**") and the Parties shall, within 10 (ten) Business Days (or such later date as the Parties may agree in writing) of such written notice, meet to discuss the terms and conditions of the Third Party Offer, which meeting shall take place at Holdings' office stipulated in 16.5.1 (or such other address as Holdings may consent to in writing). Should Holdings refuse, neglect or fail to hold such consultations within the stipulated time period, it will be deemed, unless it has indicated in writing within such period otherwise, to have consented to SIOC accepting the Third Party Offer.

13.1.3 The Offer Notice shall –

13.1.3.1 contain a true and complete copy of the Third Party Offer; and

13.1.3.2 demonstrate, to the satisfaction of Holdings, that the third party so named has the funds to purchase the shares in question; and

13.1.3.3 stipulate the name and identity number (if a natural person) or registration number (if a juristic person) of the bona fide third party and –

13.1.3.3.1 if the bona fide third party is an agent, the name of its ultimate principal;

13.1.3.3.2 if the bona fide third party is a juristic person or trust, the names of all persons who control the bona fide third party and all persons who have a direct or indirect proprietary interest in the bona fide third party.

13.1.4 Should Holdings refuse SIOC permission to accept such offer, Holdings shall then be entitled, but not obliged, within a period of 3 calendar months from the date which Holdings received the offer ("**Offer Notice Period**") in writing to either –

13.1.4.1 procure a third party of its choosing as a substitute for the initial third party (and always on the same terms and conditions as the Third Party Offer); or

13.1.4.2 to purchase the Initial Ordinary Shares and/or the "A" Ordinary Shares being the subject of the offer on terms equal to the terms offered as part of the Third Party Offer,

provided that –

(1) Holdings has notified SIOC within 30 days after the later of the meeting referred to in 13.1.2 or receipt of the Offer Notice as to whether it wishes to exercise its rights in terms of 13.1.4;

(2) should any regulatory or shareholder approval be required to give effect thereto, then the Offer Notice Period shall be extended by such period as is necessary to obtain such approvals, provided that the applications for such approvals are submitted within the Offer Notice Period or such longer period as SIOC may consent to, acting reasonably.

13.1.5 Should Holdings fail to elect either option in terms of 13.1.4 within the Offer Notice Period, then SIOC shall be entitled to sell (by no later than 30 days from the expiry of the Offer Notice Period) the shares subject to the offer to such specified third party on the terms and conditions of the Third Party Offer specified to Holdings. Should SIOC not sell (by no later than 30 days from the expiry of the Offer Notice Period) the shares subject to the offer to such specified third party on the terms and conditions of the Third Party Offer specified to Holdings, then the provisions hereof shall apply de novo.

13.1.6 Notwithstanding anything to the contrary contained herein, SIOC may not sell, transfer or dispose of any of its shares acquired pursuant to this Agreement unless the party to whom it sells, transfers or otherwise disposes of its shares agrees to be bound by the provisions of this Agreement mutatis mutandis.

13.1.7 To the extent that there is any transfer of the "A" Ordinary Shares pursuant to the provisions of this 13.1, then the acquirer of such shares shall (unless Holdings agrees otherwise in writing) also be allocated the SIOC Notional Loan (or part thereof as applicable).

13.1.8 Without derogating from any other provision hereof, SIOC shall forthwith notify Holdings in writing should any discussions commence with any third party in relation to a possible offer being made by such party for any of the shares in Holdings (including the "A" Ordinary Shares).

13.2 **Change in control**

13.2.1 Should any transaction or series of transactions occur or be proposed which, if they were implemented, result in a Change in Control, then prior to such transaction/s being implemented, SIOC will give written notice to Holdings ("**Change Notice**") and the Parties shall, within 10 (ten) Business Days (or such later date as the Parties may agree in writing) of such written notice, meet to discuss the terms and conditions of such transaction/s and the impact thereof on Holdings, which meeting shall take place at Holdings' office stipulated in 16.5.1 (or such other address as Holdings may consent to in writing). Should Holdings refuse, neglect or fail to hold such consultations within the stipulated time period, it will be deemed, unless it has indicated in writing within such period otherwise, to have consented to the Change in Control occurring.

13.2.2 The Change Notice shall –

13.2.2.1 contain the salient provisions of the transaction/s giving rise to a Change in Control including a true and complete copy of the offers or agreements to give effect to the Change in Control; and

13.2.2.2 the values placed, indirectly, on the Ordinary Shares and the "A" Ordinary Shares held by SIOC in terms of the transaction/s giving rise to the Change in Control; and

13.2.2.3 stipulate the name and identity number (if a natural person) or registration number (if a juristic person) of those persons or entities who will be acquiring shares in SIOC and –

13.2.2.3.1 if such persons or entities are agents, the name/s of their ultimate principal/s;

13.2.2.3.2 if such entities are juristic persons or trusts, the names of all persons who control such entities and all persons who have a direct or indirect proprietary interest in such persons.

13.2.3 Holdings shall then be entitled, but not obliged, within a period of 3 calendar months from the later of the date which Holdings received the Change Notice ("**Change Notice Period**") or the price of the Initial

Ordinary Shares and the "A" Ordinary Shares has been determined as set out below, to either –

13.2.3.1 procure a third party of its choosing to purchase either all of the Initial Ordinary Shares and/or all of the "A" Ordinary Shares held by SIOC as Holdings may elect ("**the Sale Shares**"); or

13.2.3.2 to purchase the Sale Shares ,

provided that –

(1) Holdings has notified SIOC within 30 days after the later of receipt of the Change Notice and the determination of the price for the Initial Ordinary Shares and the "A" Ordinary Shares as to whether it wishes to exercise its rights in terms of 13.2.3. The date of such notice being the "**Holdings Change Effective Date**";

(2) should any regulatory or shareholder approval be required to give effect thereto, then the Change Notice Period shall be extended by such period as is necessary to obtain such approvals, provided that the applications for such approvals are submitted within the Change Notice Period or such longer period as SIOC may consent to, acting reasonably.

13.2.4 Should Holdings fail to elect either option in terms of 13.2.3 within the 30 day period referred to in 13.2.3 (1), then Holdings shall be deemed to have consented to the Change in Control occurring; provided that should the Change in Control not occur within 30 days from the expiry of the Change Notice Period and on the basis and at the prices set out in the Change Notice, then no Change in Control may occur thereafter unless the process contained in this 13.2 is complied with again.

13.2.5 Should Holdings exercise the option in terms of 13.2.3, then the price payable by Holdings (or its nominee) for the Sale Shares shall be the price referred to in 13.2.2.2 in respect of the Ordinary Shares; provided if no such price has been ascribed thereto, then such price as is agreed to in writing between Holdings and SIOC within 10 Business Days from the date of receipt by Holdings of the Change Notice or, failing agreement within such period, then the price shall be the average of the price determined by the corporate finance division of two independent auditors from the five largest audit firms in South Africa agreed to in writing between the Parties within 5 Business Days after the request for such appointment and, failing such agreement, as appointed by the President for the time being of the South African Institute of Chartered Accountants. Such auditors shall act as experts and not arbitrators and their determination shall be final and binding and such auditors shall determine the value of the Sale Shares in their sole and absolute discretion taking into account such factors as they

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may consider relevant (provided that the value of the "A" Ordinary Shares shall take into account the SIOC Notional Loan). The costs of such auditors shall be shared equally between the Parties.

13.2.6 Ownership of the Sale Shares shall pass to Holdings or its nominee (as applicable) on payment of the purchase price in respect thereof, which shall occur simultaneously with delivery by SIOC of unencumbered title to such shares to Holdings (or its nominee). Risk in and benefit to the Sale Shares shall pass to Holdings (or its nominee) on the Holdings Change Effective Date.

13.2.7 To the extent that there is any transfer of the "A" Ordinary Shares pursuant to the provisions of this 13.2, then the acquirer of such shares shall (unless Holdings agrees otherwise in writing) also be allocated the SIOC Notional Loan (or part thereof as applicable).

13.2.8 Without derogating from any other provision hereof, SIOC shall forthwith notify Holdings in writing should any discussions commence with any third party in relation to a possible Change in Control occurring.

14 **Confidentiality**

14.1 The Parties acknowledge that each Party to this Agreement will disclose confidential information to the other Party in order to comply with the terms and conditions of this Agreement which is and remains confidential and the exclusive property of the disclosing Party.

14.2 Each Party shall regard and treat such confidential information as confidential and will not, without the prior written consent of the disclosing Party or unless required by law, disclose or allow the disclosure of any of the confidential information to any person except its authorised representatives and employees who have a need to know any of the confidential information for the purposes of assisting in the performance of its obligations or exercising any of its rights pursuant to this Agreement and who undertake to maintain that information in confidence in accordance with this Agreement.

14.3 To ensure that the obligations of confidentiality set out in this clause are complied with, each Party agrees, without limitation, as follows:-

14.3.1 neither to use nor to circulate the confidential information within its organisation or among its affiliates or authorised representatives except to the extent necessary to perform its obligations or exercise its rights pursuant to this Agreement;

14.3.2 not to copy the confidential information in whole or in part except as permitted pursuant to this Agreement;

14.3.3 not to alter or remove any proprietary rights or copyright notice or other identification that indicates an ownership interest in any part of the confidential information;

14.3.4 to notify the disclosing Party promptly in writing of the existence of any circumstances surrounding any knowledge, possession, access or use of the confidential information or any part of it by any unauthorised person;

14.3.5 to take any actions regarded as necessary or desirable to ensure continued confidentiality and protection of the confidential information and to prevent access to or use of the confidential information by any person not authorised under this Agreement;

14.3.6 to establish specific procedures designed to meet its obligations pursuant to this clause 14 including, without limitation, the execution of non-disclosure agreements by its contractors or other authorised personnel who must have access to the confidential information as the disclosing Party may reasonably require; and

14.3.7 to return promptly to the disclosing Party or to provide satisfactory evidence as to the destruction of all documents, media and other property containing or referring to any of the confidential information belonging to the disclosing Party on termination of this Agreement.

14.4 During the period of this Agreement and after the termination of this Agreement without limited in point of time, no Party shall disclose to any person or entity any confidential information which it obtains through its participation in the due diligence audits or for any other purpose pursuant to this Agreement (and shall ensure that its employees shall observe such restrictions) unless the said information becomes public knowledge through other means than a breach of this Agreement.

15 Early Termination

The Parties record and agree that in the event that Holdings receives an irrevocable *bona fide* offer to purchase the entire (and not only a portion) issued share capital of Holdings (other than the "A" Ordinary Shares and excluding any treasury shares) which offer is acceptable to the board of Holdings (or the independent board thereof, as applicable) then, notwithstanding the definition of the Termination Date, the day on which such offer is implemented shall constitute the Repurchase Date for the purposes of this Agreement.

16 **General**

16.1 This Agreement contains the entire agreement between the Parties and no variation or consensual cancellation thereof shall be of any force or effect unless reduced to writing and signed by all the Parties.

16.2 No indulgence granted by any Party or failure to exercise such Party's rights shall constitute a novation or waiver of the grantor's rights nor prevent the grantor from insisting on strict compliance by the other Parties with its obligations in terms of this Agreement.

16.3 In the event of any term or condition contained in this Agreement being or becoming invalid or unenforceable for whatsoever reason such offending term or condition shall be severed from this Agreement and the remaining terms and conditions shall be binding on the Parties hereto.

16.4 If any of the Parties or the signatories of any of the Parties signs this Agreement in counterparts, the counterparts, taken together, shall constitute one agreement.

16.5 The Parties respectively choose the following addresses as their chosen address for all purposes hereunder at :

16.5.1	Holdings	-	7 Romeo Street Hughes Boksburg Telefax: 011 418 0412
16.5.2	SIOC	-	Centurion Gate Building 2 Crn John Voster Drive & Akkerboom Street, Swartkop Extension 22, Centurion, 0046 Telefax: 012 683 7006

16.6 Any notice required to be given in terms of this Agreement shall be validly given if:

16.6.1 delivered by hand to the addressee's chosen address, in which event it shall be deemed to have been received on the date of delivery; or

16.6.2 sent by registered post to the addressee's chosen address in which event it shall be deemed to have been received by the addressee five (5) days after having so been posted; or

16.6.3 sent by telefax in which event it shall be deemed to have been received on the date of transmission, provided a hard copy thereof is, in addition to the telefax transmission, forwarded by registered post.

16.7 The rights and obligations of any of the Parties in terms of this Agreement shall not be ceded nor assigned to any other party without the prior written consent of the other Parties.

16.8 Each Party shall be responsible for its own legal costs incurred in the negotiating, drafting and signature of this Agreement.

Signed at Melrose **on this the** 21 **day of** June **2012, in the presence of the undersigned witnesses.**

Witnesses:

1. _____

2. _____

For and on behalf of Basil Read Holdings Limited

_____

Who warrants that he is duly authorized hereto

Signed at ROSEBANK **on this the** 21st **day of** JUNE 2012 **2012, in the presence of the undersigned witnesses.**

Witnesses:

1. _____

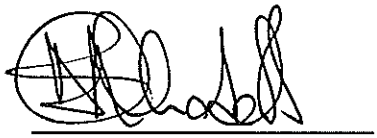
2. _____

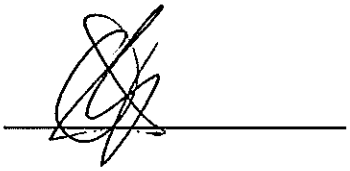
For and on behalf of SIOC CDT Investment Holdings Proprietary Limited

_____

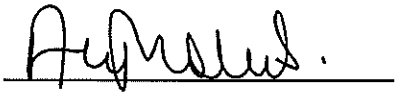
Who warrants that he is duly authorized hereto

Witnesses:

1. 

2. 

For and on behalf of SIOC CDT Investment Holdings Proprietary Limited



Who warrants that he is duly authorized hereto